

Honolulu, Hawaii

MAR 23 , 2018

RE: S.B. No. 222  
S.D. 2  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Twenty-Ninth State Legislature  
Regular Session of 2018  
State of Hawaii

Sir:

Your Committee on Health & Human Services, to which was referred S.B. No. 222, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE GENERAL EXCISE TAX,"

begs leave to report as follows:

The purpose of this measure is to benefit individuals who use medically necessary devices, drugs, and supplies by:

- (1) Exempting the sales of mobility enhancement equipment, durable medical equipment, prescription drugs sold pursuant to a doctor's prescription, diabetic supplies, prosthetic devices, medical oxygen, and human blood and its derivatives from the general excise tax; and
- (2) Expanding the definition of "prosthetic devices" to include devices that are worn on the body.

The Disability and Communication Access Board, Hawaii Chapter of the American Physical Therapy Association, Oahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i, and an individual supported this measure. The Department of Taxation and Tax Foundation of Hawaii offered comments on this measure.

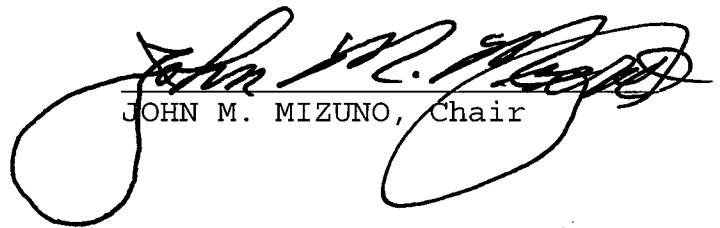


If this measure progresses through the legislative process, your Committee respectfully requests that the Department of Taxation estimate the effect the exemption would have on tax revenue.

Your Committee has amended this measure by changing its effective date to July 1, 3000, to promote further discussion.

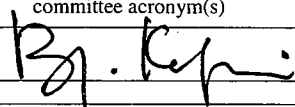
As affirmed by the record of votes of the members of your Committee on Health & Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 222, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 222, S.D. 2, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Health & Human  
Services,

  
JOHN M. MIZUNO, Chair



**Record of Votes of the Committee on Health & Human Services**

<b>Bill/Resolution No.:</b> SB222, SD2	<b>Committee Referral:</b> HHS, FIN	<b>Date:</b> 3-21-18		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
<b>The recommendation is to:</b> <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
HHS Members	Ayes	Ayes (WR)	Nays	Excused
1. MIZUNO, John M. (C)	/			
2. KOBAYASHI, Bertrand (VC)	/			
3. BELATTI, Della Au	/			
4. LEARMONT, Lei R.	/			
5. TUPOLA, Andria P.L.				/
<b>TOTAL (5)</b>	4	—	—	1
<b>The recommendation is:</b> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
<b>Vice Chair's or designee's signature:</b> _____ 				
<b>Distribution:</b> Original (White) – Committee      Duplicate (Yellow) – Chief Clerk's Office      Duplicate (Pink) – HMSO				