

Honolulu, Hawaii

FEB 07 2019

RE: S.B. No. 530
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health,
to which was referred S.B. No. 530 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to provide a
general excise tax exemption for amounts received from the sale of
mobility enhancing equipment, prescription drugs sold pursuant to
a doctor's prescription, and prosthetic devices, and expand the
definition of "prosthetic devices" to include devices that are
worn on the body.

Your Committee received testimony in support of this measure
from the Policy Advisory Board for Elder Affairs, O'ahu County
Committee on Legislative Priorities of the Democratic Party of
Hawai'i, and two individuals. Your Committee received comments on
this measure from the Department of Taxation and the Tax
Foundation of Hawaii.

Your Committee finds that mobility enhancing equipment,
hearing aids, prescription drugs, and prosthetic devices are often
necessities for daily living among individuals with disabilities
and kupuna. Sellers often pass on the general excise tax to the
consumer, which increases the cost of an item. Exempting amounts
received from the sales of necessary medical devices can therefore



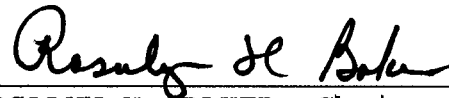
benefit individuals with disabilities and the elderly who are on a fixed income by reducing expenses associated with these items.

Your Committee has amended this measure by:

- (1) Adding hearing aids to the list of products exempted from the general excise tax; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 530, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 530, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Commerce, Consumer
Protection, and Health,

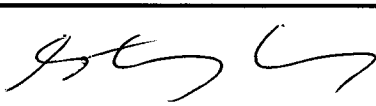


ROSALYN H. BAKER, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Commerce, Consumer Protection, and Health
CPH

Bill / Resolution No.:* SB 530	Committee Referral: CPH, WAM	Date: 1/30/19		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
CHANG, Stanley (VC)	✓			
KEOHOKALOLE, Jarrett	✓			
NISHIHARA, Clarence K.	✓			
RUDERMAN, Russell E.	✓			
THIELEN, Laura H.	✓			
FEVELLA, Kurt	✓			
TOTAL	7			
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align: center; font-size: 2em;">  </div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes