

Honolulu, Hawaii
FEB 16 , 2022

RE: H.B. No. 2414

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Economic Development, to which was referred
H.B. No. 2414 entitled:

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

begs leave to report as follows:

The purpose of this measure is to establish a general excise
tax exemption for the gross proceeds or income from the
manufacture, production, packaging, and sale of diapers.

Your Committee received testimony in support of this measure
from the Hawai'i Diaper Bank, Aloha Diaper Bank, Nest for Families
a Program of Multiplier, Family Support Hawai'i, Hawaii Children's
Action Network Speaks!, Retail Merchants of Hawaii, Neighborhood
Place of Kona, Hilo Crescent City Lions Club, National Diaper Bank
Network, Hawaii Food Industry Association, and ten individuals.
Your Committee received comments on this measure from the
Department of Taxation, Department of Budget and Finance, and Tax
Foundation of Hawaii.

Your Committee finds that one out of every three families
struggle with diaper needs, or the inability to provide a
sufficient supply of diapers to keep their child clean, dry, and
healthy. Unlike other necessities, there is currently no
governmental assistance for purchasing diapers. Your Committee
further finds that due to the exorbitant cost of diapers, some



families are forced to stretch the time between diaper changes, which often leads to diaper rash and other painful infections. This measure would help families in need by providing a general excise tax exemption for diapers, thereby ensuring the health of babies in the State.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2414 and recommends that it pass Second Reading and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development,



SEAN QUINLAN, Chair



