

STAND. COM. REP. NO. 3329

Honolulu, Hawaii

MAR 23 2022

RE: H.B. No. 2414
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Energy, Economic Development, and Tourism, to which was referred H.B. No. 2414, H.D. 1, entitled:

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

begs leave to report as follows:

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

Your Committee received testimony in support of this measure from Hawaii Children's Action Network Speaks!, Hawai'i Diaper Bank, Early Childhood Action Strategy, Chamber of Commerce Hawaii, Retail Merchants of Hawaii, Hawaii Food Industry Association, Hawai'i Restaurant Association, and twelve individuals. Your Committee received testimony in opposition to this measure from the Department of Taxation. Your Committee received comments on this measure from the Department of Budget and Finance and Tax Foundation of Hawaii.

Your Committee finds that diapers are basic necessities for families with infants in the State. Your Committee further finds that sellers pass on the general excise tax to the consumer, which increases the cost of an item. Exempting amounts received from



the sales of necessities, such as food, medicine, and diapers can benefit the Hawaii's families by reducing expenses associated with these necessities.

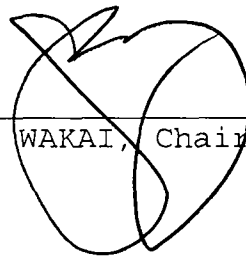
Accordingly, your Committee has amended this measure by:

- (1) Establishing a general excise tax exemption for the gross proceeds or income derived from the sale of food and nonprescription drugs;
- (2) Amending section 1 to reflect its amended purpose; and
- (3) 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 Energy, Economic Development, and Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2414, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2414, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.


Respectfully submitted on
behalf of the members of the
Committee on Energy, Economic
Development, and Tourism,

GLENN WAKAI, Chair



The Senate
 Thirty-First Legislature
 State of Hawai'i

Record of Votes
Committee on Energy, Economic Development, and Tourism
EET

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 244 HD1	EET, WAM	3/18/22		
<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
WAKAI, Glenn (C)	✓			
MISALUCHA, Bennette E. (VC)	✓			
LEE, Chris	✓			
RIVIERE, Gil	✓			
FEVELLA, Kurt				✓
TOTAL	4	0	0	1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

*Only one measure per Record of Votes