

STAND. COM. REP. NO. **2101**

Honolulu, Hawaii

FEB 08 2022

RE: S.B. No. 2863
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 Commerce and Consumer Protection, to which was referred S.B. No. 2863 entitled:

"A BILL FOR AN ACT RELATING TO FEMININE HYGIENE PRODUCTS,"

begs leave to report as follows:

The purpose and intent of this measure is to exempt the sale of feminine hygiene products from the general excise tax.

Your Committee received testimony in support of this measure from the Hawai'i State Council on Developmental Disabilities, Hawaii Food Industry Association, Health Committee of the Democratic Party of Hawai'i, Stonewall Caucus of the Democratic Party of Hawai'i, Pono Hawai'i Initiative, Ma'i Movement Hawai'i, Alliance for Period Supplies, and eleven 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 feminine hygiene products are a necessary living expense for menstruating people. The general excise tax is typically applied to all goods and services, making it a highly regressive tax system that disproportionately impacts lower income Hawaii consumers. Research has shown that twenty-five percent of women and students have struggled to purchase enough menstrual products. This lack of a basic necessity can force women to stay home from work or school, thereby reducing



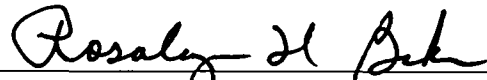
wages and socio-economic productivity, and can force families to have to choose between purchasing the products they need or purchasing food, putting their health in jeopardy. There are several other products and services that are allowed a general excise tax exemption because of their healthful properties. Because people need menstrual products to stay healthy and avoid risk of infection, removing the burden of the general excise tax on these items will help prevent additional unnecessary medical costs. This measure will further align Hawaii with twenty-three other states that do not charge sales tax on period products.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 1, 2023; 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 and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2863, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2863, 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 and
Consumer Protection,



ROSALYN H. BAKER, Chair



The Senate
 Thirty-First Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

| | | | | |
|---|---------------------|-----------------|---------------------|---------|
| Bill / Resolution No.:* | Committee Referral: | Date: | | |
| SB 2863 | CPN. WAM | 2-3-2022 | | |
| <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) | / | | | |
| DECOITE, Lynn | / | | | |
| NISHIHARA, Clarence K. | / | | | |
| RIVIERE, Gil | / | | | |
| SAN BUENAVENTURA, Joy A. | / | | | |
| FEVELLA, Kurt | / | | | |
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| TOTAL | 7 | | | |
| Recommendation: | | | | |
| <input checked="" type="checkbox"/> Adopted | | | | |
| <input type="checkbox"/> Not Adopted | | | | |
| Chair's or Designee's Signature: | | | | |
| <i>Clarence K Nishihara</i> | | | | |
| Distribution: | | | | |
| Original | Yellow | Pink | Goldenrod | |
| File with Committee Report | Clerk's Office | Drafting Agency | Committee File Copy | |

*Only one measure per Record of Votes