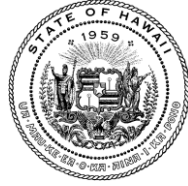


DAVID Y. IGE
GOVERNOR

JOSH GREEN M.D.
LT. GOVERNOR



ISAAC W. CHOY
DIRECTOR OF TAXATION

STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809
PHONE NO: (808) 587-1540
FAX NO: (808) 587-1560

To: The Honorable Glenn Wakai, Chair
The Honorable Bennette E. Misalucha, Vice Chair
and Members of the Senate Committee on Energy, Economic Development, and
Tourism

From: Isaac W. Choy, Director
Department of Taxation

Date: Friday, March 18, 2022
Time: 3:20 P.M.
Place: Via Video Conference, State Capitol

Re: H.B. 2414, H.D. 1, Relating to General Excise Tax Exemptions

The Department of Taxation (Department) appreciates the intent of H.B. 2414, H.D. 1, but opposes the measure in its present form and offers the following comments.

H.B. 2414, H.D.1, adds a new section to chapter 237, Hawaii Revised Statutes (HRS), exempting “all gross proceeds or income arising from the manufacture, production, packaging, and sale of diapers within the state.” The measure further specifies that “diapers” are defined to include both washable and disposable absorbent garments worn by infants and toddlers. The measure has a defective effective date of July 1, 2050.

The intent of the bills is to “help alleviate the general excise tax burden on local families and individuals . . .” However, as written, this bill provides limited benefit to consumers of diapers and provides little in the way of economic relief. Based upon the estimates stated in this bill, the average diaper consumer spends roughly \$80 per month on diapers meaning that the benefit from this bill would equate to approximately \$3.60 in savings per month, or less than \$45 annually. This amount of savings is unlikely to assist those in need of relief from the expense of diapers. The Department believes that more effective way of achieving the intent of this bill would be through an appropriation in support of the existing diaper banks, or for the creation of additional diaper banks to serve those most in need in our community.

Notwithstanding the foregoing comments, the Department respectfully requests that any changes to the GET be made effective for gross receipts received on or after January 1, 2023. This delay will avoid mid-year changes to taxation while also providing sufficient time to make the necessary form and computer system modifications.

Thank you for the opportunity to provide testimony on this measure.

HB-2414-HD-1

Submitted on: 3/15/2022 5:37:18 PM

Testimony for EET on 3/18/2022 3:20:00 PM

Submitted By	Organization	Testifier Position	Testify
Julia M. Yano	Individual	Support	Written Testimony Only

Comments:

I request the support of this Bill, relieving the cost to families of small children.



Hawaii
Children's Action Network Speaks!
 Building a unified voice for Hawaii's children

Hawai'i Children's Action Network Speaks! is a nonpartisan 501c4 nonprofit committed to advocating for children and their families. Our core issues are safety, health, and education.

To: Senate Committee on Energy, Economic Development, and Tourism

Re: **HB 2414, HD1 - Relating to General Excise Tax Exemptions**
 Hawai'i State Capitol, Conference Room 224 & Videoconference
 March 18, 2022, 3:20 PM

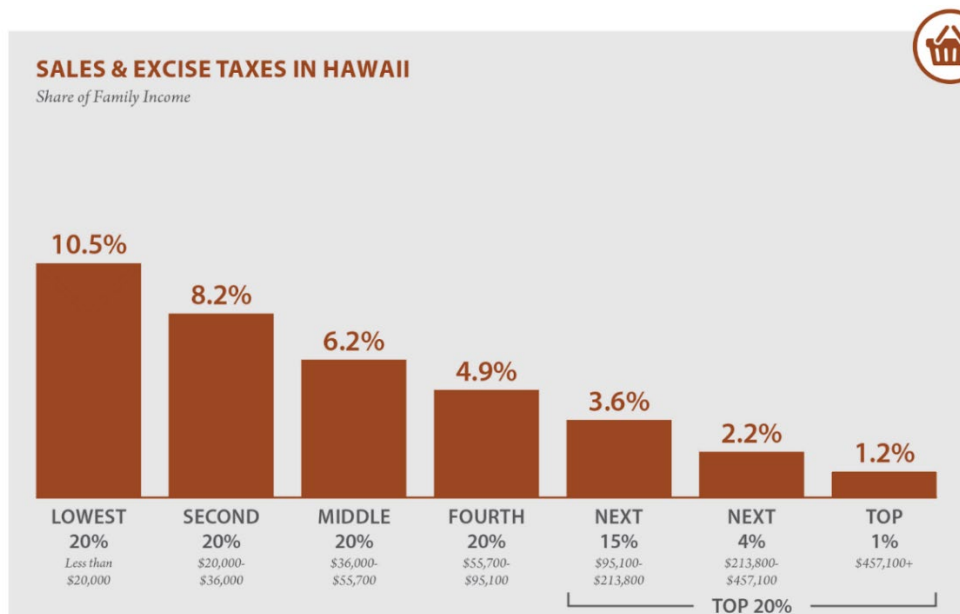
Dear Chair Wakai, Vice Chair Misalucha, and committee members,

On behalf of Hawai'i Children's Action Network Speaks!, I am writing in SUPPORT of HB 2414, HD1, relating to general excise tax exemptions. This bill would establish a general excise tax exemption for the gross proceeds or income from the manufacture, production, packaging, and sale of diapers.

Hawai'i's tax system is upside down. Families who earn less than \$20,000 per year pay 15 percent of their income in state and local taxes, while those who make over \$450,000 pay only about 9 percent. In fact, our state saddles our low-income families with the second-heaviest state and local tax burden in the nation.¹

The main reason that low-income families pay more than those at the top is the General Excise Tax (GET), which is applied to nearly all goods and services in Hawai'i. It hits our low-income and working-class families harder because they spend almost all of their earnings on items and services that are taxed by the GET.

That means that Hawai'i families who earn less than \$20,000 per year pay almost nine times as much of their income (10.5 percent) in the GET than those who make over \$450,000 (1.2 percent).²



¹ Institute on Taxation and Economic Policy, <https://itep.org/whopays/hawaii/>

² Institute on Taxation and Economic Policy, <https://itep.org/whopays/hawaii/>



Hawaii
Children's Action Network Speaks!
Building a unified voice for Hawaii's children

Diapers are a major expense for Hawaii families with small children. Diapers are essential to babies' and toddlers' health, and they each require at least 50 diaper changes per week, or 200 diaper changes per month. But one in three families struggle to afford clean diapers for their children, according to the National Diaper Bank Network.³

The regressive nature of the GET makes it difficult for many families to afford basic life necessities, such as diapers. And while several states that exempt diapers from sales or excise tax, Hawaii does not.⁴ Hawaii should follow these states by exempting diapers and menstrual products from the GET.

Mahalo for the opportunity to provide this testimony. Please help alleviate the tax burden on local families by exempting diapers from the GET, by passing this bill.

Thank you,

Nicole Woo
Director of Research and Economic Policy

³ National Diaper Bank Network, <https://nationaldiaperbanknetwork.org/state-issues/>

⁴ National Diaper Bank Network, <https://nationaldiaperbanknetwork.org/state-issues/>



Chamber of Commerce HAWAII

The Voice of Business

Testimony to the Senate Committee on Energy, Economic Development, and Tourism

Friday, March 18, 2022, at 3:20 P.M.
Conference Room 224 & Via Videoconference

RE: HB 2414 HD1 Relating to General Excise Tax Exemptions

Chair Wakai, Vice Chair Misalucha, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **supports** HB 2414 HD1, which establishes a general excise tax exemption for the gross proceeds or income from the manufacture, production, packaging and sale of diapers.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 2,000+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

The general excise tax is levied on nearly every economic activity in the state. Due to the highly regressive structure of the tax, it disproportionately affects lower income and middle-class working families. Since it affects people in all income levels, it makes it even more difficult to afford everyday life necessities, such as diapers and other items.

While the Chamber supports making a general excise tax exemption for the manufacture, production, packaging and sale of diapers, we believe the bill does not go far enough. The Chamber respectfully asks the committee to **consider an amendment that would make a general excise tax exemption for the gross proceeds or income from the manufacture, production, packaging, and sale of food and medicine.**

Food and medicine are the most important and basic life necessities in this world, and still some struggle to provide those items for their families. We believe including food and medicine into the general excise tax exemption would further help families in need.

Thank you for the opportunity to testify.

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 305

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: GENERAL EXCISE, Exemption for Diaper Manufacturing

BILL NUMBER: HB 2414 HD 1

INTRODUCED BY: House Committee on Finance

EXECUTIVE SUMMARY: Establishes a general excise tax exemption for the gross proceeds or income from the manufacture, production, packaging, and sale of diapers.

SYNOPSIS: Adds a new section to chapter 237, HRS, that would exempt the gross proceeds or income arising from the manufacture, production, packaging, and sale of diapers within the State.

Defines “diaper” as an absorbent garment that: (1) Is washable or disposable that may be worn by an infant or toddler who is not toilet-trained; and (2) If disposable: (A) Does not use any latex or common allergens; and (B) Meets or exceeds the quality standards for diapers commercially available through retail sale in the following categories: (i) Absorbency (with acceptable rates for first and second wetting); (ii) Waterproof outer cover; (iii) Flexible leg openings; and (iv) Refastening closures.

EFFECTIVE DATE: July 1, 2050.

STAFF COMMENTS: The use of the tax system to provide financial assistance in the form of preferential tax treatment under the general excise tax is an inefficient use of the tax system. This preferential treatment proposed in this measure amounts to nothing more than a subsidy as there is no obvious undue burden of taxes. If this measure is enacted, it will provide one industry with preferential treatment. That is bad tax policy.

It should be remembered that giving tax breaks to one select group of taxpayers comes at the expense of all other taxpayers. Rather than singling out a particular area for tax relief, concurrent efforts must be made to improve Hawaii’s business climate to enhance the economic prospects for all businesses.

If lawmakers want to subsidize this specific industry, then an appropriation of funds is far more accountable as taxpayers will then know who is to receive the subsidy, how much is being spent and then they can judge whether this is an appropriate use of state taxpayer dollars.

Digested: 3/15/2022

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

GLORIA CHANG
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY
TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND
TOURISM
ON
HOUSE BILL NO. 2414, H.D. 1

March 18, 2022
3:20 p.m.
Room 224 and Videoconference

RELATING TO GENERAL EXCISE TAX EXEMPTIONS

The Department of Budget and Finance (B&F) offers comments on this bill.

House Bill No. 2414, H.D. 1, adds a new section to Chapter 237, HRS, to establish a general excise tax exemption for the gross proceeds or income from the manufacturing, production, packaging, and sale of diapers.

B&F notes that the federal American Rescue Plan (ARP) Act restricts states from using ARP Coronavirus State Fiscal Recovery Funds (CSFRF) to directly or indirectly offset a reduction in net tax revenue resulting from a change in law, regulation, or administrative interpretation beginning on March 3, 2021, through the last day of the fiscal year in which the CSFRF have been spent. If a state cuts taxes during this period, it must demonstrate how it paid for the tax cuts from sources other than the CSFRF, such as:

- By enacting policies to raise other sources of revenue;
- By cutting spending; or
- Through higher revenue due to economic growth.

If the CSFRF provided have been used to offset tax cuts, the amount used for this purpose must be repaid to the U.S. Treasury.

The U.S. Department of Treasury has issued rules governing how this restriction is to be administered. B&F will be working with the money committees of the Legislature to ensure that the State of Hawai'i complies with this ARP restriction.

Thank you for your consideration of our comments.



March 16, 2022

To: Senator Glenn Wakai, Senator Bennette E. Misalucha, and Members of the Senate Committee on Energy, Economic Development, and Tourism

Re: **HB – Relating to General Excise Tax Exemptions; Diapers**

Aloha Senator Glenn Wakai, Senator Bennette E. Misalucha, and Members of the Senate Committee on Energy, Economic Development, and Tourism -

My name is Jessica Histo, and I am the founder and president of the Hawai'i Diaper Bank, the state's first nonprofit organization dedicated to providing diapers, wipes and other basic essentials to low-income families with young children. I am writing in support of **HB 2414, establishing a general excise tax exemption for the gross proceeds or income from the manufacture, production, packaging, and sale of diapers.**

One out of every three families struggle with diaper need (the inability to provide a sufficient supply of diapers to keep their child clean, dry, and healthy). Unlike many other necessities, there is currently no governmental assistance for purchasing diapers. As a result, the average low-income family spends about **\$1,000/year on diapers**, a substantial portion of their annual income. To make ends meet, some families report “stretching” the time between diaper changes. This can and often does lead to diaper rash, skin breakdown and other painful infections. Aside from the obvious health issues that are implicated when there is not an adequate supply of diapers for a child, almost **three in five parents who experience diaper need report missing work or school** because they do not have enough diapers to drop their children off at childcare. Therefore, lack of diapers not only prevents children from accessing early educational, it also prevents their parents from returning to the work force, thereby reinforcing the cycle of diaper need. **HB2414 would aid our fight against diaper need for those already working hard to make their families economically stable by eliminating barriers to employment and/or education.**

I appreciate the opportunity to provide testimony in support of HB2414. Since our founding, Hawai'i Diaper Bank has distributed more than 1 million donations to families like the M.L Ohana, who until recently, were living out of their car. In addition to providing diapers, wipes, and other essentials, we connected the family to partner organizations who assisted with housing, employment, and health care services. A sufficient diaper supply provides immediate relief to families who are struggling to provide the basics for their children and allows parents to tackle other issues like paying rent and utilities, getting food on the table, and supporting the healthy development of their children. I respectfully request your support of HB2414 so that the families we serve, who fight every day to keep their children safe and healthy, have a chance to succeed.

Mahalo Nui Loa,

Jessica Histo
Founder and President



jessica@hawaiidiaperbank.org
(808)-385-1167



**TESTIMONY OF TINA YAMAKI
PRESIDENT
RETAIL MERCHANTS OF HAWAII
MARCH 18, 2022**

Re: HB 2414 HD1 RELATING TO GENERAL EXCISE TAX EXEMPTION

Good afternoon, Chairperson Wakai and members of the Senate Committee on Energy, Economic Development and Tourism. I am Tina Yamaki, President of the Retail Merchants of Hawaii and I appreciate this opportunity to testify.

The Retail Merchants of Hawaii was founded in 1901, RMH is a statewide, not for profit trade organization committed to the growth and development of the retail industry in Hawaii. Our membership includes small mom & pop stores, large box stores, resellers, luxury retail, department stores, shopping malls, local, national, and international retailers, chains, and everyone in between.

We are in support of HB 2414 HD1 Relating to General Excise Tax Exemption. This measure establishes a general excise tax exemption for the gross proceeds or income from the manufacture, production, packaging, and sale of diapers. Effective 7/1/2050

This tax exemptions would make diapers more affordable, especially to low-income families. The National Diaper Bank Network estimates that babies need about 50 diapers changes per week or 200 diapers a month. By reducing the sales tax, families can buy two additional diapers for every percentage point reduction in the sales tax for the same money they would have used to buy 200 diapers with tax.

We hope that this measure would be extended to include not only adult diapers that will help with the elderly who are on fixed income but also needs to use adult diapers, but also to food and medication.

We have all seen the price increases when we go food shopping in a grocery store or purchase medication. Hawaii is already one of the most expensive places to live. An exemption from the General Excise Tax would be especially beneficial to all especially low-income households.

Mahalo again for this opportunity to testify.

HB-2414-HD-1

Submitted on: 3/16/2022 11:29:23 AM

Testimony for EET on 3/18/2022 3:20:00 PM

Submitted By	Organization	Testifier Position	Testify
Jhernie Evangelista	Individual	Support	Written Testimony Only

Comments:

Aloha Senator Glenn Wakai, Senator Bennette E. Misalucha, and Members of the Senate Committee on Energy, Economic Development, and Tourism -

I am writing in **SUPPORT** of HB 2414, establishing a general excise tax exemption for the gross proceeds or income from the manufacture, production, packaging, and sale of diapers.

One out of every three families struggle with diaper need (the inability to provide a sufficient supply of diapers to keep their child clean, dry, and healthy). Unlike many other necessities, there is currently no governmental assistance for purchasing diapers. As a result, the average low-income family spends about \$1,000/year on diapers, a substantial portion of their annual income. To make ends meet, some families report “stretching” the time between diaper changes. This can and often does lead to diaper rash, skin breakdown, and other painful infections. Aside from the obvious health issues that are implicated when there is not an adequate supply of diapers for a child, almost three in five parents who experience diaper need report missing work or school because they do not have enough diapers to drop their children off at childcare. Therefore, lack of diapers not only prevents children from accessing early education, but it also prevents their parents from returning to the workforce, thereby reinforcing the cycle of diaper need. HB2414 would aid the fight against diaper needs for those already working hard to make their families economically stable by eliminating barriers to employment and/or education.

I appreciate the opportunity to provide testimony in support of HB2414 and respectfully request your support.

Me kealoha pumenhana,

Jhernie Evangelista

March 16, 2022

To: Senate Committee on Energy, Economic Development, and Tourism
Rep. Chair G. Wakai
Rep. Vice Chair B. Misalucha

Re: HB2414 - Relating to General Excise Tax Exemptions; Diapers

Aloha and Hāfa ādai, Chair Wakai, Vice Chair Misalucha, and members of the Committee,

My name is Nina Gayle Baluran. I am an MSW Distance Education student from the island of Guam, attending the Thompson School of Social Work & Public Health at the University of Hawaii at Manoa. **I strongly support HB2414, establishing a general excise tax exemption for the gross proceeds or income from the manufacture, production, packaging, and sale of diapers.**

No child should have to suffer from a diaper need. All children have the right to clean dry diapers. Therefore, diapers are a necessity for children and their families. Access to diapers promotes the physical, emotional, and economic well-being of newborns, babies, families, and communities. Unfortunately, many low-income families struggle to afford diapers, which creates the diaper gap. The diaper gap is the inequality caused by low-income families not able to afford diapers. This can result in significant health issues for both newborns and parents. Urinary tract or staph infections in young children can lead to hospitalization. Consider the burden of not purchasing the necessities for your infant - not a trivial concern for struggling parents and caregivers. When families can't afford a sufficient quantity of diapers for their children, they must choose between purchasing diapers and paying for food, rent, or utilities such as heat. No family should have to make that decision. In the worst-case scenario, these stresses can contribute to child abuse and neglect over time.

In addition, unlike other necessities such as food or health insurance, there is no federal support for purchasing diapers. WIC, SNAP, and Medicaid programs help parents with nutritious foods and the support they and their babies need to stay healthy. Unless we act now and advocate for these low-income families, there will be no programs or solutions to purchase diapers for their children. The lack of diapers affects the children who use them, but it has on their families who cannot afford them.

I may not be a parent, but I do have a sister who has struggled to buy diapers from time to time. I see the stress that not affording diapers has had on her and her family. Diapers are not cheap, and doing what I can to help my sister out is my way of supporting her and my niece and nephew. Not everyone has the support they need to obtain diapers; HB2414 would help us battle diaper needs for individuals already working hard to make their family financially stable. It will provide relief to families struggling to provide the necessities for their children and allow parents to focus on other matters such as paying rent and utilities, putting food on the table, and supporting their children's healthy growth. I humbly beg your support on HB2414 so that the families we assist, who work tirelessly every day to keep their children safe and healthy, can succeed. I appreciate the opportunity to provide testimony.

Mahalo nui loa & si Yu'us ma'āse',

Nina Gayle Baluran
The University of Hawai'i at Mānoa
Thompson School of Social Work & Public Health
MSW Student



Date: March 16th, 2022

To: Committee on Energy, Economic Development and Tourism
Senator Glenn Wakai, Chair
Senator Bennette E. Misalucha, Vice Chair

From: Early Childhood Action Strategy

Re: Testimony in Support of **HB2414 HD1**– Relating to general excise tax exemptions

Aloha and mahalo for hearing this Bill. Early Childhood Action Strategy (ECAS) is a statewide cross-sector collaborative designed to improve the system of care for Hawai'i's youngest children and their families. ECAS partners work to align priorities for children prenatal to age eight, streamline services, maximize resources, and improve programs to support our youngest keiki.

ECAS supports HB 2414 HD1, which would establish a general excise tax exemption for the gross proceeds or income from the manufacture, production, packaging, and sale of diapers.

Diapers are a major expense for Hawaii families with small children and clean diapers are essential to babies' and toddlers' health. Without sufficient access, our keiki risk serious infection. Diapers cost an average of \$18 per week, which represents more than 6 percent of a minimum-wage paycheck. They are not covered under the two main antipoverty programs that assist families: the Supplemental Nutrition Assistance Program (SNAP) and the Women, Infant and Children (WIC) program, which provides nutritional supplements for pregnant women and young children.

One in three families struggle to afford clean diapers for their children, according to the National Diaper Bank Network. In addition to risking a baby's health, sufficient diaper supply provides immediate relief to families who are struggling to provide the basics for their children and allows parents to tackle other issues like paying rent and utilities, getting food on the table, and paying for child care.

Several other states exempt diapers from sales or excise tax but Hawai'i does not. Given the high cost of living in the islands, removing the cost of diapers for our youngest families, would decrease family stress. When we reduce family stress, we also potentially reduce child abuse and neglect, intimate partner violence and substance use.

Mahalo for the opportunity to provide this testimony. Please support the health and wellbeing of our infants and toddlers and protect families' livelihoods by exempting diapers from the GET.

Mahalo for your continued support to improve the health, safety and learning of our youngest keiki. We appreciate you supporting **HB 2414 HD1**.

HB-2414-HD-1

Submitted on: 3/16/2022 5:10:39 PM

Testimony for EET on 3/18/2022 3:20:00 PM

Submitted By	Organization	Testifier Position	Testify
Jeremie Evangelista	Individual	Support	Written Testimony Only

Comments:

I support exempting diapers and similar products from the general excise tax. The GE tax is regressive and disproportionately affects low income and poverty stricken households. These are the household is that most sorely need a break in order to get the necessities of life which diapers and similar products are.

HB-2414-HD-1

Submitted on: 3/16/2022 5:11:57 PM

Testimony for EET on 3/18/2022 3:20:00 PM

Submitted By	Organization	Testifier Position	Testify
Lindsay Terkelsen	Individual	Support	Written Testimony Only

Comments:

Aloha honorable legislators,

I am in support of HB2414 and kindly ask for your support on this bill as well, because no one should have to choose between buying food and diapers. This bill will help support working class mothers, keiki, and families.

Mahalo for your consideration,
Lindsay Terkelsen

HB-2414-HD-1

Submitted on: 3/16/2022 5:24:22 PM

Testimony for EET on 3/18/2022 3:20:00 PM

Submitted By	Organization	Testifier Position	Testify
Nikki-Ann Yee	Individual	Support	Written Testimony Only

Comments:

Mahalo for the opportunity to testify! I am writing in strong support of HB 2414, establishing a general excise tax exemption for the gross proceeds or income from the manufacture, production, packaging, and sale of diapers.

One out of every three families struggle with diaper need, or the inability to provide a sufficient supply of diapers to keep their child clean, dry, and healthy. Unlike many other necessities, there is currently no governmental assistance for purchasing diapers. As a result, the average low-income family spends about \$1,000/year on diapers, a substantial portion of their annual income. The GE tax is regressive and disproportionately affects low-income families , and the tax relief this measure brings would help to ease the burden.

HB-2414-HD-1

Submitted on: 3/16/2022 5:32:24 PM

Testimony for EET on 3/18/2022 3:20:00 PM

Submitted By	Organization	Testifier Position	Testify
Elsa Nakasone	Individual	Support	Written Testimony Only

Comments:

Exempt GE tax on diapers



Greg Maples, Chairman – Polynesian Cultural Center **Ryan Tanaka, Incoming Chair**- Giovanni Pastrami

Ave Kwok, Vice Chair- Jade Dynasty **Tambara Garrick, Secretary** – Hawaii Farm Project

Kahili Soon, Treasurer – Hukilau Marketplace **Tom Jones, Past Chair** – Gyotaku

Sheryl Matsuoka, Executive Director **Chivon Garcia**, Executive Assistant **Holly Kessler**, Director of Membership Relations

Date: March 16, 2022

To: Senator Glenn Wakai, Chair
Senator Bennette Misalucha, Vice Chair
Members of the Committee on Energy, Economic Development, and Tourism

From: Ryan Tanaka, Incoming Chair

Subj: HB 2414, HD1 Relating to General Excise Tax Exemptions

The Hawaii Restaurant Association representing 3,400 restaurants supports HB2414, HD 1 that will establish a general excise tax exemption for the gross proceeds or income from the manufacture, production, and sale of diapers.

We recommend added to HB 2414, HD1 is a general excise tax exemption for medicine, groceries, and food establishments (excluding alcohol).

This savings on essential items would tremendously help Hawaii residents, especially low-income, ALICE families. We need a concerted way to reduce Hawaii's high and rising cost of living, and this approach is one key solution of many.

Thank you for giving us this opportunity to share our views.



HB-2414-HD-1

Submitted on: 3/17/2022 8:35:17 AM

Testimony for EET on 3/18/2022 3:20:00 PM

Submitted By	Organization	Testifier Position	Testify
Cynthia Kitkowski	Individual	Support	Written Testimony Only

Comments:

I am writing to lend my wholehearted support of HB2414 General Excise Tax Exemption: Diapers

I am a retired Maternal-Child RN and nurse educator and have been a supporter of the Hawai'i Diaper Bank since its inception. This is because before the Hawai'i Diaper Bank was established, Hawai'i was 1 of only 3 states in the nation that did NOT have at least one Diaper Bank- a dubious distinction for one that calls itself "The Aloha State". In my career, I have witnessed families in Hawai'i struggle to provide the basics for a safe, healthy environment for their children. This legislation would be a good faith measure towards providing relief to the most vulnerable in our state, especially for families barely making ends meet. It is a small beginning but only unimportant to those who have not personally experienced these hardships. I urge you to support this legislation and applaud the work that already has been done through the generosity and sacrifices of people who inspire us to truly live Aloha. Mahalo.

March 17, 2022

To: Senator Glenn Wakai, Senator Bennette E. Misalucha, and Members of the Senate Committee on Energy, Economic Development, and Tourism

Re: **HB – Relating to General Excise Tax Exemptions; Diapers**

Aloha Senator Glenn Wakai, Senator Bennette E. Misalucha, and Members of the Senate Committee on Energy, Economic Development, and Tourism -

I am writing in support of **HB 2414, establishing a general excise tax exemption for the gross proceeds or income from the manufacture, production, packaging, and sale of diapers.**

One out of every three families struggle with diaper need (the inability to provide a sufficient supply of diapers to keep their child clean, dry, and healthy). Unlike many other necessities, there is currently no governmental assistance for purchasing diapers. As a result, the average low-income family spends about **\$1,000/year on diapers**, a substantial portion of their annual income. To make ends meet, some families report “stretching” the time between diaper changes. This can and often does lead to diaper rash, skin breakdown and other painful infections. Aside from the obvious health issues that are implicated when there is not an adequate supply of diapers for a child, almost **three in five parents who experience diaper need report missing work or school** because they do not have enough diapers to drop their children off at childcare. Therefore, lack of diapers not only prevents children from accessing early education, it also prevents their parents from returning to the work force, thereby reinforcing the cycle of diaper need. **HB2414 would aid the fight against diaper need for those already working hard to make their families economically stable by eliminating barriers to employment and/or education.**

I appreciate the opportunity to provide testimony in support of HB2414 and respectfully request your support

Mahalo Nui Loa,



Gary Kitkowski

March 17, 2022

To: Senator Glenn Wakai, Senator Bennette E. Misalucha, and Members of the Senate Committee on Energy, Economic Development, and Tourism

Re: **HB – Relating to General Excise Tax Exemptions; Diapers**

Aloha Senator Glenn Wakai, Senator Bennette E. Misalucha, and Members of the Senate Committee on Energy, Economic Development, and Tourism -

I am writing in support of **HB 2414, establishing a general excise tax exemption for the gross proceeds or income from the manufacture, production, packaging, and sale of diapers.**

One out of every three families struggle with diaper need (the inability to provide a sufficient supply of diapers to keep their child clean, dry, and healthy). Unlike many other necessities, there is currently no governmental assistance for purchasing diapers. As a result, the average low-income family spends about **\$1,000/year on diapers**, a substantial portion of their annual income. To make ends meet, some families report “stretching” the time between diaper changes. This can and often does lead to diaper rash, skin breakdown and other painful infections. Aside from the obvious health issues that are implicated when there is not an adequate supply of diapers for a child, almost **three in five parents who experience diaper need report missing work or school** because they do not have enough diapers to drop their children off at childcare. Therefore, lack of diapers not only prevents children from accessing early education, it also prevents their parents from returning to the work force, thereby reinforcing the cycle of diaper need. **HB2414 would aid the fight against diaper need for those already working hard to make their families economically stable by eliminating barriers to employment and/or education.**

I appreciate the opportunity to provide testimony in support of HB2414 and respectfully request your support

Mahalo Nui Loa,


Eri Numata



1050 Bishop St. PMB 235 | Honolulu, HI 96813
P: 808-533-1292 | e: info@hawaiiifood.com

Executive Officers

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Toby Taniguchi, KTA Superstores, *Advisor*
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TO: Committee on Energy, Economic Development, and Tourism
Senator Glenn Wakai, Chair
Senator Bennette E. Misalucha, Vice Chair

FROM: HAWAII FOOD INDUSTRY ASSOCIATION
Lauren Zirbel, Executive Director

DATE: March 18, 2022
TIME: 3:20pm
PLACE: Via Videoconference

RE: HB2414 Relating to General Excise Tax Exemptions

Position: Support

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers, and distributors of food and beverage related products in the State of Hawaii.

HFIA is in support of this measure to establish a general excise tax exemption for the gross proceeds or income from the manufacture, production, packaging, and sale of diapers. We believe that sales of food and other necessary items, such as diapers should be exempted from the GET. Taxing these items disproportionately impacts lower income Hawaii consumers. We urge the Committee to pass this measure and to consider broader measures to remove regressive taxes on other necessary items and food. We thank you for the opportunity to testify.

LATE

March 17, 2022

To: Senator Glenn Wakai, Senator Bennette E. Misalucha, and Members of the Senate Committee on Energy, Economic Development, and Tourism

Re: **HB – Relating to General Excise Tax Exemptions; Diapers**

Aloha Senator Glenn Wakai, Senator Bennette E. Misalucha, and Members of the Senate Committee on Energy, Economic Development, and Tourism -

I am writing in support of **HB 2414, establishing a general excise tax exemption for the gross proceeds or income from the manufacture, production, packaging, and sale of diapers.**

My husband and I started a small business, Kaleimamo Hawai'i, which designs and sells cloth diapers to provide our local community with reusable diapering options. Reusable cloth diapers can help families save significantly on diaper costs, which can in turn help them provide in other ways for their keiki. Diaper costs are continuously rising, and reusable cloth diapers are often a family's only option. Passing this bill will help all families who are struggling with diaper need, as well as assist our business in continuing to provide quality products of our community. It will also help us to be able to continue to partner with local diaper charities to further help families in need.

One out of every three families struggle with diaper need (the inability to provide a sufficient supply of diapers to keep their child clean, dry, and healthy). Unlike many other necessities, there is currently no governmental assistance for purchasing diapers. As a result, the average low-income family spends about **\$1,000/year on diapers**, a substantial portion of their annual income. To make ends meet, some families report "stretching" the time between diaper changes. This can and often does lead to diaper rash, skin breakdown and other painful infections. Aside from the obvious health issues that are implicated when there is not an adequate supply of diapers for a child, almost **three in five parents who experience diaper need report missing work or school** because they do not have enough diapers to drop their children off at childcare. Therefore, lack of diapers not only prevents children from accessing early educational, it also prevents their parents from returning to the work force, thereby reinforcing the cycle of diaper need. **HB2414 would aid the fight against diaper need for those already working hard to make their families economically stable by eliminating barriers to employment and/or education.**

I appreciate the opportunity to provide testimony in support of HB2414 and respectfully request your support

Mahalo Nui Loa,
Pohai Nu'uhiwa Campbell
Co-Founder and Owner of Kaleimamo Hawai'i LLC

LATE

HB-2414-HD-1

Submitted on: 3/17/2022 10:36:02 PM

Testimony for EET on 3/18/2022 3:20:00 PM

Submitted By	Organization	Testifier Position	Testify
Beth Anderson	Individual	Support	Written Testimony Only

Comments:

Dear Chair and Committee Members,

Diapers are expensive and they are a necessity for young families with babies. Items that are an absolute necessity, like diapers, should not be taxed. The cost of living in Hawaii is so high and taxing diapers just puts another unnecessary burden on families.

Give families with young children a break.

I support HB2414

Beth Anderson

LATE

Dennis Egge
2920 Ala Ilima #703, Honolulu HI96818
15 March 2022

TESTIMONY IN SUPPORT OF HB2414, IF AMENDED AS FOLLOWS.

Senator Glenn Wakai; Energy, Economic Development and Tourism Committee Chair
Wakai1@capitol.hawaii.gov

Aloha Senator Wakai: I read nearly two pages of testimony, in support of HB2414. Finding no mention of food or medicine, in the text, sent by the House, to your Energy, Economic Development and Tourism Committee (EET), for final decision making, was disappointing, to say the least.

Please do not pass HB2414, unless amended to include both, above mentioned, universally essential items.

Very Respectfully,

D Egge

Dennis Egge