

JOSH GREEN M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION

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GARY S. SUGANUMA
DIRECTOR

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DEPUTY DIRECTOR

**TESTIMONY OF
GARY S. SUGANUMA, DIRECTOR OF TAXATION**

TESTIMONY ON THE FOLLOWING MEASURE:

S.B. No. 606, S.D.1, Relating to Hearing Aids

BEFORE THE:

Senate Committee on Ways and Means

DATE: Wednesday, March 1, 2023

TIME: 10:10 a.m.

LOCATION: State Capitol, Room 211

Chair Dela Cruz, Vice-Chair Keith-Agaran, and Members of the Committee:

The Department of Taxation ("Department") offers the following comments regarding S.B. 606, S.D.1, for your consideration.

S.B. 606, S.D.1, seeks to amend section 237-24.3(6), Hawaii Revised Statutes, to exempt the sale of hearing aids, sold by a hospital, infirmary, medical clinic, health care facility, pharmacy, or licensed practitioner from the general excise tax. This exemption will not apply to any amounts that are received for *services* related to the sale of hearing aids. This bill has a defective effective date of December 31, 2050.

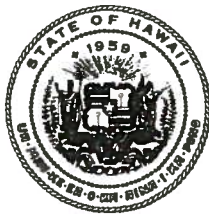
The Department appreciates that the Committee on Health and Human Services defined the term "hearing aid" in the bill, as requested.

If the effective date is updated, the Department requests that it be amended to January 1, 2024.

Assuming the measure has an effective date of July 1, 2023, as originally proposed, the Department estimates a revenue loss to the general fund as follows (\$ millions):

FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
-1.0	-1.1	-1.1	-1.1	-1.2	-1.2

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



LATE

DISABILITY AND COMMUNICATION ACCESS BOARD

1010 Richards Street, Room 118 • Honolulu, Hawaii 96813
Ph. (808) 586-8121 (V) • TTY (808) 586-8162 • Fax (808) 586-8129

March 1, 2023

TESTIMONY TO THE SENATE COMMITTEE ON WAYS AND MEANS

Senate Bill 606 SD1 – Relating to Hearing Aids

The Disability and Communication Access Board (DCAB) supports Senate Bill 606 SD1 – Relating to Hearing Aids. This bill exempts from the general excise tax, gross receipts from the sale of hearing aids.

Hearing is an equally important sense upon which an individual depends for communication. DCAB supports legislation to provide a tax credit or deduction or to exempt or reduce the general excise tax on the sale of mobility enhancing equipment or durable medical equipment, hearing aids, prosthetic devices, and prescription drugs sold pursuant to a licensed practicing physician's prescription when the basis for the acquisition of the item is due to a person's disability.

Thank you for the opportunity to provide testimony.

Respectfully submitted,

KIRBY L. SHAW
Executive Director

THE KŪPUNA CAUCUS



WAM_03-01-23 10:30AM Submitted

TO: COMMITTEE ON WAYS AND MEANS
Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair

CONCERNING: SB606 SD1 (SSCR408) Relating to Hearing Aids

POSITION: STRONG SUPPORT

ALOHA Chair Cruz, Vice Chair Keith-Agaran and Members of the Committee

The Kūpuna Caucus of the Democratic Party of Hawai'i has more than 2,000 enrolled members who are politically active and greatly interested in all issues affecting seniors in the State of Hawai'i and nationally. The Caucus strongly requests that you support SB606.

It has taken long enough for Federal and State health programs to recognize the vital importance of hearing aids to Kūpuna, who suffer disproportionately from gradual hearing loss.

Hearing assistance is vital to a senior's self-sufficiency and for their personal safety. It may also strongly affect their relationships with the people a senior may interact with on a daily basis, like neighbors, family members, and social service representatives.

Eliminating the GET on hearing aids will support the medical professionals who deal with Hearing issues, prescriptions and treatments and reduce the cost for the people who need hearing aids. Please support SB606.

Martha E Randolph for the
Kūpuna CAUCUS of the Democratic Party of Hawaii

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 305

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: GENERAL EXCISE, Exemption for Hearing Aids

BILL NUMBER: SB 606 SD 1

INTRODUCED BY: Senate Committee on Health and Human Services

EXECUTIVE SUMMARY: Exempts from the general excise tax, gross receipts received from the sale of hearing aids.

SYNOPSIS: Amends section 237-24.3(6), HRS, allow the exemption for prescription drugs and prosthetic devices to apply to hearing aids.

Defines “hearing aid” the same as in section 451A-1, HRS.

EFFECTIVE DATE: December 31, 2050.

STAFF COMMENTS: Existing law, namely section 237-24.3(6), exempts sales of prescription drugs and prosthetic devices. Over-the-counter medicines and products, whether to promote ocular, auditory, or dental health, are not currently exempt.

Perhaps the bill is intended to provide relief for individuals with disabilities and kupuna with limited incomes by exempting hearing aids from Hawaii’s general excise tax. The same rationale could be applied to glasses and dental work, so it is questionable why auditory devices are being singled out for special treatment.

Digested: 2/27/2023

From: [Mei-Li Mathias](#)
To: [WAM Committee](#)
Subject: SB 606
Date: Monday, February 27, 2023 12:53:44 PM

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear Chair Dela Cruz, Vice Chair Keith-Agaran and members of the Committee. My name is Mei-Li Mathias and I am testifying in support of SB 606 SD 1. I support this bill and exempting hearing aids from Hawaii's General Excise Tax. This bill will help make hearing aids more affordable.

I wore hearing aids on both ears for 20 years of my life. I know that hearing aids are costly. With the cost of living in Hawaii being so high - it would be invaluable if hearing aids were exempt from the GET. I treat my hearing aid with care and I panic when it goes missing.

I know the struggles of being deaf, being told "never mind" at the dinner table while everyone is laughing. I know the struggle of eye strain, struggling to lipread people daily, and with the masks it's even worse, and has caused me anxiety attacks not knowing what people are saying. I rely on my hearing aid to get me through this hearing world, just like prescription glasses enable me to see the world more clearly.

Hearing aids make life easier for us. It would be better if they did not cost so much. .

Thank you for the opportunity to testify,
Mei-Li Mathias

SB-606-SD-1

Submitted on: 2/27/2023 1:10:09 PM

Testimony for WAM on 3/1/2023 10:10:00 AM

Submitted By	Organization	Testifier Position	Testify
Sherry Shimizu	Individual	Support	Written Testimony Only

Comments:

Testimony of Sherry Shimizu

Submitted to the Hawaii State Senate,

Committee on Ways and Means (WAM)

Senator Donovan M. Dela Cruz, Chair

Senator Gilbert S.C. Keith-Agaran, Vice Chair

Wednesday, March 1, 2023

Time 1010

Hawaii State Capitol & Videoconference

Re: SB 606 SD 1 - Relating to Hearing Aids

Chairperson, Vice-Chair, Members:

I am testifying today to express my very strong support for SB 606 SD 1, which will exempt hearing aids from Hawaii's General Excise Tax. This bill will help make hearing aids more affordable. This bill is very important to me personally, because I have been deaf in one ear and hard-of-hearing in the other ear all of my life; I used to use one lateral hearing aid and decided to stop about 6 years ago. Hearing aids are very expensive and I cannot afford new ones, similarly with my family members and friends. My parents, siblings and other family members are also either Hard-of Hearing or Deaf. Based on my experience and those of my family and friends' which I just explained, I believe children of school age who want Hearing Aids can and will contribute to their future success like me.

Thank you for the opportunity to testify,

Sherry Shimizu

March 1, 2023

Submitted to the Hawaii State Senate
COMMITTEE ON WAYS AND MEANS

Honorable Senator Donovan M. Dela Cruz, Chair
Honorable Senator Gilbert S.C. Keith-Agaran, Vice Chair

Re: SB 606 SD1, RELATING TO HEARING AIDS

Dear Chair Dela Cruz, Vice Chair Keith-Agaran and Members,

I would like to strongly support SB 606, relating to exempting from the general excise tax, gross receipts received from the sale of hearing aids.

Within the current inflationary economy, the cost of gas, rice, milk, meat, eggs among other items are 10.4% higher than in December 2021. It's pretty hard to stretch our limited budget just to cover basic needs not to mention the high cost of electricity and water. Then, just to be able to communicate with people on the job, family and friends, there's the high cost of hearing aids with general excise tax added on top. This takes its toll on our already tight budget.

With the State of Hawaii's \$2B surplus, kindly consider exempting the general excise tax from the gross sale price of hearing aids which are critical to our basic level of functioning in the home, on the job and in the community.

Mahalo in advance for passing this important bill.

Eleanor Macdonald
District 13

SB-606-SD-1

Submitted on: 2/27/2023 9:10:03 PM

Testimony for WAM on 3/1/2023 10:10:00 AM

Submitted By	Organization	Testifier Position	Testify
Will Caron	Individual	Support	Written Testimony Only

Comments:

Please support SB606 SD1.

PETER L. FRITZ
T-MOBILE IP RELAY: (808) 568-0077

THE SENATE
THE THIRTY-SECOND LEGISLATURE
REGULAR SESSION OF 2023

COMMITTEE ON WAYS AND MEANS
Testimony on S.B. 606 SD1
Hearing: March 1, 2023

RELATING TO HEARING AIDS

Chair Dela Cruz, Vice Chair Keith-Agaran and members of the Committee, my name is Peter Fritz. I use hearing aids and I am testifying in **support** of S.B. 606 SD1. This bill exempts hearing aids from the general excise tax (“GET”) making hearing aids more affordable.

Exempting hearing aids from the GET makes hearing aids more affordable. Enabling more citizens to purchase hearing aids will reduce the risks and expenses from untreated hearing loss and could result in lower health insurance premiums.

Untreated hearing loss can result in longer hospitalizations, readmissions and more visits to an emergency room. Untreated hearing loss accounted for 3.57 percent of people significantly injured in a fall, 3.2 percent of all cases of dementia, and 6.88 percent of those seeking treatment for depression according to a study covering a 10-year period.¹ Enabling more people to purchase hearing aids can reduce these risks.

Correcting hearing loss has broad medical benefits. Hearing health is a critical component of overall health and well-being. Hearing loss, if left untreated, can lead to an increase in cognitive decline, as well as exacerbate social isolation. Over time, both of these factors can contribute to dementia risk.

Hearing loss is known to be the largest modifiable risk factor for developing dementia. According to an analysis published in The Lancet in 2017, Vol. 390, No. 10113, preventing or treating hearing loss in midlife has the potential to diminish the incidence of dementia by 9 percent.

Depending on the technology, hearing aids can cost about \$4,000 to \$8,000 for a pair.² The GET on a pair of hearing aids costing \$6000 is approximately \$283. Excluding hearing aids from the GET makes hearing aids less expensive.

Hawaii should join the majority of states that exclude hearing aids from taxation.

Respectfully Submitted,



Peter L. Fritz

¹ JAMA Otolaryngol Head Neck Surg. 2019;145(1):36-43. doi:10.1001/jamaoto.2018.2876.

² The Actual Cost of Hearing Aids In 2023 <https://www.forbes.com/health/hearing-aids/actual-cost-of-hearing-aids/>

LATE

JAN L. FRIED • American Sign Language/English Interpreter

• RID Certified-IC, CI, CT • Educator • Consultant •

28 February 2023

The Senate
Thirty-Second Legislature, 2023, State of Hawai'i
Committee on Ways and Means
Senator Dela Cruz, Chair
Senator Keith-Aragan, Vice Chair

Hearing: 01 March 2023

Testimony in Support of SB606, SDI -Relating to Hearing Aids

Aloha Senators Dela Cruz and Keith-Aragan and WAM Committee Members,

I am an American Sign Language/English interpreter, a professor of American Sign Language, and connected to many people who rely on hearing aids to ensure they have reliable access to sound—it is without hesitation that I support SB 606 that would exempt hearing aids from the General Excise Tax.

By voting to exempt hearing aids from the GE Tax, you acknowledge that:

- Having access to affordable hearing aids makes a positive difference in many people's lives.
- Research has shown that the use hearing aids may lessen the risk of a hard of hearing individual developing dementia.
- Numerous studies have shown that individuals who do not have access to affordable hearing aids and assistive technology can feel isolated and as a result, their ability to meaningfully connect with family and friends is inhibited.
- The cost of hearing aids alone can be daunting to kupuna who have lost much of their hearing and families with deaf/hard of hearing children. Adding the GE tax to their cost may preclude them from being able to purchase hearing aids and puts them at risk of being unable to communicate effectively.
- Other states recognize these facts and allow hearing aids to be exempt from being taxed. It's time that Hawai'i does this, too.

I appreciate this opportunity to encourage the committees to support SB606, SDI. Your actions will have a profound and positive impact.

Respectfully,
Jan L. Fried
Jan L. Fried, CI and CT
Nationally Certified ASL/English Interpreter

LATE

SB-606-SD-1

Submitted on: 2/28/2023 6:57:58 PM

Testimony for WAM on 3/1/2023 10:10:00 AM

Submitted By	Organization	Testifier Position	Testify
Nikki Kepoo	Individual	Support	Written Testimony Only

Comments:

Aloha,

As an advocate, family member to hard of hearing individuals and mother to a deaf son, I strongly urge your support to pass this bill.

The list of accommodations, devices, support, and appointments can go on and on for our community. The financial burdens associated to all of this is already a challenge plus we add GET onto these items.

Our elderly who are on fixed income already lose more than just hearing, they lose confidence and self reliance. Our ohana with hard of hearing children are faced with challenges in adequate education plus these financial add on.

Please support our communities by passing this bill.

Mahalo

LATE

SB-606-SD-1

Submitted on: 2/28/2023 10:33:15 PM
Testimony for WAM on 3/1/2023 10:10:00 AM

Submitted By	Organization	Testifier Position	Testify
Lisa Tom	Individual	Support	Written Testimony Only

Comments:

As a Deaf advocate, I use hearing aids and I am writing to give my full support for SB606 SD1. This bill exempts hearing aids from the general excise tax ("GET") making hearing aids more affordable.

Please consider to support SB606 SD1.

Mahalo for the opportunity to submit testimony.