



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
KA 'OIHANA O KA LOIO KUHINA
THIRTY-THIRD LEGISLATURE, 2025**

ON THE FOLLOWING MEASURE:
S.B. NO. 1495, RELATING TO HEARING AIDS.

BEFORE THE:
SENATE COMMITTEE ON HEALTH AND HUMAN SERVICES

DATE: Monday, February 3, 2025 **TIME:** 1:00 p.m.

LOCATION: State Capitol, Room 225

TESTIFIER(S): Anne E. Lopez, Attorney General, or
M. Hayley Callahan, Deputy Attorney General

Chair San Buenaventura and Members of the Committee:

The Attorney General provides the following comments on this bill.

The title of this bill is "RELATING TO HEARING AIDS." This bill amends section 237-24.3, Hawaii Revised Statutes (HRS) to exempt the sale of hearing aids from the State's general excise tax (page 4, lines 16-17, and 20). This bill also adds a definition of "hearing aid" referencing section 451A-1, HRS (page 5 lines 1-2). This bill also makes technical, non-substantive amendments to the rental or leasing of aircraft or aircraft engines exemption on page 7, lines 16-18 of the bill.

Article III, section 14, of the Constitution of the State of Hawaii provides in part: "Each law shall embrace but one subject, which shall be expressed in its title." Although not substantive, the Department recommends deleting the amendments on page 7, lines 16-18, concerning aircraft and aircraft engines to comply with the spirit of this constitutional provision.

JOSH GREEN M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



GARY S. SUGANUMA
DIRECTOR

KRISTEN M.R. SAKAMOTO
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF TAXATION

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

TESTIMONY ON THE FOLLOWING MEASURE:

S.B. No. 1495, Relating to Hearing Aids

BEFORE THE:

Senate Committee on Health and Human Services

DATE: Monday, February 3, 2025

TIME: 1:00 p.m.

LOCATION: State Capitol, Room 225

Chair San Buenaventura, Vice-Chair Aquino, and Members of the Committee:

The Department of Taxation (DOTAX) offers the following comments regarding S.B. 1495 for your consideration.

S.B. 1495 would 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 measure is effective on July 1, 2025, and would sunset on January 1, 2027.

DOTAX can administer the bill with the current proposed effective date of July 1, 2025.

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

TAX FOUNDATION OF HAWAII

735 Bishop Street, Suite 417

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: GENERAL EXCISE; Exemption for Hearing Aids

BILL NUMBER: SB 1495

INTRODUCED BY: SAN BUENAVENTURA, DECOITE, MCKELVEY, MORIWAKI,
Fukunaga

EXECUTIVE SUMMARY: Exempts from the general excise tax, gross receipts received by a hospital, infirmary, medical clinic, health care facility, pharmacy, or a practitioner licensed to administer drugs to an individual, from the sale of hearing aids. Sunsets 1/1/2027.

SYNOPSIS: Amends section 237-24.3(6), HRS, to exempt amounts from the sale of hearing aids. The exemption does not apply to amounts received for services provided in selling hearing aids.

Hearing aid has the meaning defined in section 451A-1, HRS.

EFFECTIVE DATE: July 1, 2025, repeals on January 1, 2027.

STAFF COMMENTS: The bill is intended to temporarily exempt the sale of hearing aids from the general excise tax.

Existing law, section 237-24.3(6), HRS, exempts sales of prescription drugs and prosthetic devices.

Furthermore, section 237-24.3(12), HRS, effective January 1, 2026, exempts healthcare-related goods or services purchased under Medicare, Medicaid, or TRICARE.

Over-the-counter medicines and products not purchased under Medicare, Medicaid, or TRICARE, whether to promote ocular, auditory, or dental health, are not currently exempt.

It is questionable why hearing aids are being singled out for special treatment.

Digested: 2/2/2025

February 3, 2025

Submitted to the Hawaii State Senate
HEALTH & HUMAN SERVICES COMMITTEE

Honorable Senator Joy A. San Buenaventura, Chair
Honorable Senator Henry J.C. Aquino, Vice Chair

Re: SB 1495, RELATING TO HEARING AIDS, Exempts from General Excise Tax

Dear Chair San Buenaventura, Vice Chair Aquino and Members,

I would like to whole heartedly support SB 1495 to exempt the cost of hearing aids from the General Excise Tax which boosts the costs of hearing aids and include over-the-counter hearing aids purchased.

According to Johns Hopkins Bloomberg School of Public Health, “hearing aid use was associated with a 32 percent lower prevalence of dementia in the 853 participants who had moderate/severe hearing loss” (January 10, 2023). This would lower the costs of healthcare related to mental confusion, social isolation, loss of language, poor balance, malnutrition and eventual falls resulting in disabling multiple fractures.

As a retired Vocational Rehabilitation Specialist with over 40 years of experience working/playing with people who are Deaf, Hard of Hearing and Deaf-Blind, I have personally witnessed how people “become the person they are meant to be” within their families, workplace and everyday life after being fitted with a hearing aid. With the high cost of living, we cannot keep hearing aids beyond the reach of ordinary residents in the state of Hawaii. “Hawaii is the most expensive state to live in the United States” according to The Council for Community & Economic Research (Dec. 28, 2024).

Please pass this critical healthcare bill.

Mahalo,
Eleanor Macdonald, M.Ed., CRC (ret.)
District 13

PETER L. FRITZ

T-MOBILE IP RELAY: (808) 568-0077

THE SENATE THE THIRTY-THIRD LEGISLATURE REGULAR SESSION OF 2025

COMMITTEE ON HEALTH AND HUMAN SERVICES

Testimony on S.B. 1495
Hearing: February 3, 2025

RELATING TO HEARING AIDS

Chair San Buenaventura, Vice Chair Aquino and members of the Committee, my name is Peter Fritz. I am an individual with a hearing disability and a hearing aid user. I am testifying **in support** of S.B. 1495 **with an amendment** to exclude over-the-counter hearing aids from the GET exclusion.

This bill exempts the sale of hearing aids from the general excise tax (“GET”). Exempting hearing aids from the GET will make hearing aids more affordable. Hearing loss is associated with greater cognitive decline and incident dementia in older adults and this bill will make hearing aids more accessible by exempting hearing aids from Hawaii’s General Excise Tax.

I. Correcting Hearing Loss Has Broad Medical Benefits.

The number of dementia cases in the US is expected to surge in the coming decades. In a recent study published in the journal Nature, **one of the report’s major recommendations was to encourage people to wear hearing aids, which appear to help forestall dementia by allowing people to be more social and cognitively engaged.** Another study reported that the use of hearing aids was associated with a 19% decrease in hazards of long-term cognitive decline such as incident dementia over a duration ranging from 2 to 25 years. Usage of these devices was also associated with a 3% improvement in cognitive test scores in the short term.

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. Hearing health is a critical component of overall health and well-being. Increasing affordability by lowering the cost of purchasing hearing aids will enable more people to be able to purchase hearing aids.

II. Burden of the GET On Hearing Aid Purchases

Depending on the technology used, hearing aids can cost about \$4,000 to \$8,000 for a pair.¹ The GET on a pair of hearing aids costing \$6000 is approximately \$283. When I purchased my hearing aids, I paid about \$127 in GET. Adding the GET to a purchase makes hearing aids less affordable.

¹ The Actual Cost of Hearing Aids In 2023 <https://www.forbes.com/health/hearing-aids/actual-cost-of-hearing-aids/>

III. Amendment to Exclude Over the Counter Hearing Aids

A prescription hearing aid is any hearing aid that is not an OTC hearing aid. Prescription hearing aids are only available through a licensed hearing health care professional who can program the device to your unique level of hearing loss. These devices may be appropriate for all levels of hearing loss and for all ages based on the indications for use.

Over-the Counter hearing Aids are intended for use by people 18 years of age and older **to help with perceived mild to moderate hearing loss**. OTC hearing aids allow users to control the device settings and customize the device to the user's hearing needs, through tools, tests, or software.

OTC hearing aids are available to consumers over-the-counter without the supervision, involvement, or prescription of a licensed health care professional. OTC hearing aids that meet the FDA's requirements can be purchased in a store or online.

Over-the Counter hearing Aids are intended for use by people 18 years of age and older to help with perceived mild to moderate hearing loss. OTC hearing aids allow users to control the device settings and customize the device to the user's hearing needs, through tools, tests, or software.

To exclude over the counter hearing aids from the GET exemption, the language beginning on page 4, line 13 and ending on page 5, line 2 could be replaced with the following:

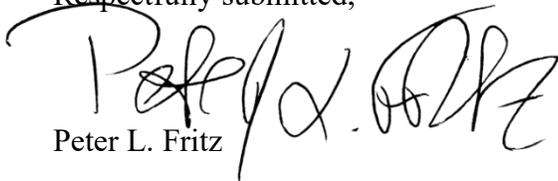
- (6) Amounts received by a hospital, infirmary, medical clinic, health care facility, pharmacy, or a practitioner licensed to administer the drug to an individual for selling prescription drugs, hearing aids, but not over-the-counter hearing aids as defined in 21 U.S.C. 360j(q) or prosthetic devices to an individual; provided that this paragraph shall not apply to any amounts received for services provided in selling prescription drugs, hearing aids, or prosthetic devices. ~~As used in this paragraph:~~

~~"Hearing aid" has the same meaning as defined in section 451A-1.~~

I respectfully ask the Committee to move this bill.

Thank you for the opportunity to testify.

Respectfully submitted,



Peter L. Fritz

SB-1495

Submitted on: 2/1/2025 7:04:20 PM

Testimony for HHS on 2/3/2025 1:00:00 PM

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

Comments:

February 1, 2025

Dearest Honorables Senators San Buenaventura (Chair), Aquino (Vice Chair), and Members Hashimoto, Keohokalole, Fevella of Health and Human Services (HHS):

I am testifying today to express my very strong support for SB1495, which will exempt hearing aids from Hawaii's General Excise Tax. This bill will help make hearing aids more affordable and 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 8 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 experiences and those of my family and friends' which I just explained, I believe children of school age who want Hearing Aids can and this accommodation contribute to their future success just like me.

Thank you for the opportunity to testify and sincerely,
Sherry Shimizu

LATE

SB-1495

Submitted on: 2/3/2025 10:42:02 AM

Testimony for HHS on 2/3/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Stephen Laracuente	Individual	Support	Written Testimony Only

Comments:

Sorry this testimony is late. I support this bill because it would give the Deaf consumer, and the insurance company a break from paying the excise tax for a medical device that supports an essential life function. Mahalo for considering this little tidbit. Stephen Laracuente