STAND. COM. REP. NO. 37 -20

Honolulu, Hawaii , 2020 FEB 13 RE: H.B. No. 1633 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirtieth State Legislature Regular Session of 2020 State of Hawaii

Sir:

Your Committee on Health, to which was referred H.B. No. 1633 entitled:

"A BILL FOR AN ACT RELATING TO AUDITORY DEVICES,"

begs leave to report as follows:

The purpose of this measure is to:

- Exempt gross receipts from the sale of auditory devices, such as hearing aids, from the general excise tax;
- (2) Amend the definition of "prosthetic device" to include hearing aids and devices worn on the body; and
- (3) Exempt gross receipts from the repair of prosthetic devices from the general excise tax.

Your Committee received testimony in support of this measure from the Disability and Communication Access Board and two individuals. Your Committee received comments on this measure from the Department of Taxation.

Your Committee finds that auditory devices, including hearing aids, are expensive. The cost of hearing aids is not covered by Medicare, and not all insurance policies provide hearing aid benefits. In addition, purchasing hearing aids may be a financial



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hardship for families that have a deaf or hard-of-hearing child who requires the frequent replacement of a hearing aid as the child grow older. This measure seeks to help lower the expense of purchasing auditory devices.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee notes that the Department of Taxation testified that it is able to administer the changes proposed in this measure but requested that its effective date be amended to January 1, 2021, to allow the Department sufficient time to make the necessary form and computer-system changes.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1633, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1633, H.D. 1, and be referred to your Committee on Finance.

> Respectfully submitted on behalf of the members of the Committee on Health,

JOHIN M. MIZUNO



State of Hawaii House of Representatives The THIRTIETH Legislature



Record of Votes of the Committee on Health

Bill/Resolution No.: HB 1633	Committee Referral: ULT, F/N	Date	Date: 2-11-20	
The committee is reconsidering its previous decision on the measure.				
The recommendation is to: □ Pass, unamended (as is) □ Pass, with amendments (HD) □ Hold □ Pass short form bill with HD to recommit for future public hearing (recommit)				
HLT Members	Ayes	Ayes (WR)	Nays	Excused
1. MIZUNO, John M. (C)	~			
2. KOBAYASHI, Bertrand (VC)				
2 DELATEL Delle Am				
3. BELATTI, Della Au				
4. NAKAMURA, Nadine K.				
5. SAN BUENAVENTURA, Joy A.	· · · · · · · · · · · · · · · · · · ·		<u>. 20. 98 (1991) (1991) (1991) (199</u>	
6. SAY, Calvin K.Y.				
7. TOKIOKA, James Kunane				
8. WARD, Gene				
o. WARD, Gene				
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TOTAL (8)	6	Ð	Ð	2
The recommendation is: Adopted Not Adopted If joint referral,				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				