

STAND. COM. REP. NO.

772

Honolulu, Hawaii

FEB 11, 2025

RE: H.B. No. 572

H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Madame:

Your Committee on Economic Development & Technology, to which was referred H.B. No. 572 entitled:

"A BILL FOR AN ACT RELATING TO GENERAL EXCISE TAX,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Exempt food and groceries from the General Excise Tax;
and
- (2) Expand General Excise Tax exemptions to include certain healthcare-related goods or services that were not purchased under the Medicare, Medicaid, and TRICARE programs.

Your Committee received testimony in support of this measure from the Hawai'i Association of Professional Nurses; Hawaii Food Industry Association; University of Hawai'i System; AlohaCare; Hawaii Association of Health Plans; Grassroot Institute of Hawaii; Maui Chamber of Commerce; Hawaii Cattlemen's Council, Inc.; Chamber of Commerce Hawaii; and numerous individuals. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

2025-1474 HB572 HD1 HSCR HMSO



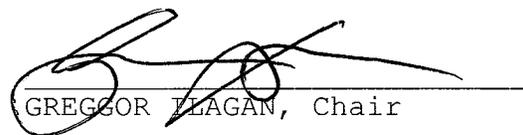
Your Committee finds that expenses related to healthcare and food and groceries contribute heavily to the high cost of living in Hawaii. This measure seeks to lower the cost of living in the State by exempting food and groceries from the General Excise Tax and expanding General Excise Tax exemptions to include certain healthcare-related goods or services that were not purchased under the Medicare, Medicaid, and TRICARE programs.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development & Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 572, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 572, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development & Technology,


GREGGOR LAGAN, Chair



