



LATE

DISABILITY AND COMMUNICATION ACCESS BOARD

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February 8, 2023

TESTIMONY TO THE SENATE COMMITTEE ON HEALTH AND HUMAN SERVICES

Senate Bill 606 – Relating to Hearing Aids

The Disability and Communication Access Board (DCAB) supports Senate Bill 606 – 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 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

JOSH GREEN M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION

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GARY S. SUGANUMA
DIRECTOR

KRISTEN M.R. SAKAMOTO
DEPUTY DIRECTOR

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

TESTIMONY ON THE FOLLOWING MEASURE:

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

BEFORE THE:

Senate Committee on Health and Human Services

DATE: Wednesday, February 8, 2023

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 ("Department") offers the following comments regarding S.B. 606 for your consideration.

S.B. 606 seeks to amend section 237-24.3(6), Hawaii Revised Statutes (HRS), 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, 2023.

The Department notes the term "hearing aid" is not defined in the bill and suggests that a definition is added to avoid ambiguity regarding the scope of the exemption.

Further, the Department requests that the effective date of the bill be amended to no earlier than January 1, 2024, to allow the Department sufficient time to make the necessary form and system changes. The Department additionally notes that due to the number of bills with tax law changes that have been introduced this year, the Department may not have the resources to implement all measures passed this session by January 1, 2024. The Department will continue to monitor the status of proposed legislation and will advise whether some changes will require a later effective date.

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

THE KŪPUNA CAUCUS



Feb. 6th 2023 for HHS_02-03-23 1:00 pm Hearing

TO: THE COMMITTEE ON HEALTH AND HUMAN SERVICES

Senator Joy A. San Buenaventura, Chair

Senator Henry J.C. Aquino, Vice Chair

CONCERNING: SB606 (Relating to Hearing Aids), SB608 (Relating to Prescription Drugs), SB609 (Relating to Hearing Aids), SB900 (Relating to Health Insurance Assistance Program), SB 901 (Care Facility Inspections), SB902 (Relating to Caregivers), SB1592 (Relating to Senior Medicare Patrol Program). SB853 (Relating to Healthy Aging Partnership), SB 442 (Relating to Health)

POSITION: Full support

Aloha Chair Buenaventura, Vice Chair Aquino and members of the committee

The Kupuna Caucus of the Democratic Party of Hawaii supports the bills listed above and hopes they will be passed.

It has taken long enough for Federal and State health programs to recognize the vital importance of hearing aids to seniors who suffer disproportionately from gradual hearing loss. Hearing assistance is vital to self-sufficiency, to personal safety, and for the people a senior may interact with on a daily basis. Any bill that supports financial assistance in buying hearing aids is worthy of support.

The recent COVID pandemic demonstrated the need for more stringent and frequent inspections of care facilities and the need to provide the results to the public before they trust a place with their loved ones.

There is a serious shortage of care givers especially those who work for agencies that accept Federal or state assisted insurance programs. One reason is because the businesses keep almost all of the money paid by the insurance for the hourly services and pay the workers poorly. Better training and a higher wage will provide more and better in home care.

Please continue to support agencies and department services that assist Kupuna to live out their lives with dignity, healthy, safe and well cared for.

Martha Randolph for
The Kupuna Caucus

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

INTRODUCED BY: SAN BUENAVENTURA

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.

EFFECTIVE DATE: July 1, 2023.

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: 2/5/2023

PETER L. FRITZ

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THE SENATE
THE THIRTY-SECOND LEGISLATURE
REGULAR SESSION OF 2023

COMMITTEE ON HEALTH AND HUMAN SERVICES

Testimony on S.B. 606
Hearing: February 8, 2023

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. 606.

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.

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

Correcting hearing loss has broad medical benefits. Hearing health is a critical component of overall health and well-being. Increasing affordability by lowering the cost of purchasing hearing aids will help more people to be able purchase hearing aids. 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.

I respectfully ask the Committee to pass this bill.

Thank you for the opportunity to testify.

Respectfully submitted,



Peter L. Fritz

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

February 8, 2023

Submitted to the Hawaii State Senate
COMMITTEE ON HEALTH AND HUMAN SERVICES

Honorable Senator Joy San Buenaventura, Chair
Honorable Senator Henry Aquino, Vice Chair

Re: SB 606, RELATING TO HEARING AIDS

Dear Madam Chair San Buenaventura, Vice Chair Aquino 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 our basic needs not to mention the high cost of electricity and water. Then, just to be able to stay in touch with people on the job, family and friends, there's the cost of pricey hearing aids with GET added on top of the basic cost. This takes its toll on our tight budget.

With the State of Hawaii's \$2B surplus, kindly seriously consider exempting the general excise tax from the gross sale price of hearing aids.

Mahalo in advance for passing this critically important bill.

Eleanor Macdonald
District 13

SB-606

Submitted on: 2/5/2023 1:25:28 PM

Testimony for HHS on 2/8/2023 1:00:00 PM

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

Comments:

I support SB606.

LATE

SB-606

Submitted on: 2/7/2023 7:16:10 PM

Testimony for HHS on 2/8/2023 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Laura Safranski	Individual	Support	Written Testimony Only

Comments:

Please waive GEt. No Deaf or Hard of hearing person should have to pay even more for something so important