Honolulu, Hawaii

Fung, 2006

RE: H.B. No. 2415 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Third State Legislature Regular Session of 2006 State of Hawaii

## Sir:

Your Committee on Health, to which was referred H.B. No. 2415 entitled:

"A BILL FOR AN ACT RELATING TO NET INCOME TAX CREDIT FOR FOOD, MEDICAL SERVICES, AND NONPRESCRIPTION DRUGS,"

begs leave to report as follows:

The purpose of this bill is to assist working families by establishing a refundable tax credit for their food, medical service, and nonprescription drug expenses.

The Office of the Governor, Department of Taxation (DOTAX), Department of Human Services, Hawaii Food Industry Association, Honolulu Community Action Program, Inc., and Hawaii Reserves, Inc., testified in support of this measure. The Tax Foundation of Hawaii offered comments.

Your Committee respectfully requests that DOTAX:

- (1) Develop a plan to inform the public, such as through a public notice campaign, of the tax credit, including the procedure required to claim it; and
- (2) Create an "automatic escalator" to allow the amount of the tax credit to increase in conjunction with the cost of living.

Your Committee has amended this bill by:

- (1) Requiring DOTAX to submit to the Legislature an annual report of the profiles of individuals claiming the tax credit;
- (2) Establishing a sunset date of July 1, 2010, for the tax credit; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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. 2415, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2415, H.D. 1, and be referred to the Committee on Economic Development & Business Concerns.

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

DENNIS A. ARAKAKI, Chair

## State of Hawaii House of Representatives The Twenty-third Legislature

## **Record of Votes of the Committee on Health**

Bill/Resolution No.:	2415	Date:	106/06		
Committee Referral:  HB 2415  Committee Referral:		☐ The committee is reconsidering its previous decision on the measure.			
The recommendation is to:  Pass, unamended		Pass, with amendments			
☐ Hold ☐ Recommit					
HLT Members		Ayes	Ayes (WR)	Nays	Excused
1. ARAKAKI, Dennis A. (C	C)				
2. GREEN, Josh, M.D. (VC)				\	
3. CABANILLA, Rida T.R.					
4. HALE, Heléne H.					~
5. NISHIMOTO, Scott Y.					
6. SONSON, Alex M.					
7. HALFORD, Chris					-
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TOTAL		3	0	1	3
The recommendation is:	Adopted	Mark Mark Mark Income Annual Control of the Control			
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	☐ Not Adopted				
If joint referral, did not support recommendation.  committee acronym(s)					
Vice Chair's or designee's signature:					
Distribution: Original (White) – Committee Duplicate (Yellow) – Clerk's Office					
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