STAND. COM. REP. NO. 2452

Honolulu, Hawaii

FCB17

, 2006

RE: S.B. No. 2093

S.D. 1

Honorable Robert Bunda President of the Senate Twenty-Third State Legislature Regular Session of 2006 State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Housing, to which was referred S.B. No. 2093 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to eliminate the premium tax on health insurers, except on health care services furnished through the QUEST medical assistance program.

Testimony in support of this measure was submitted by the State Insurance Commissioner, the International Brotherhood of Electrical Workers, Summerlin Life & Health Insurance Company, and Royal State National Insurance Company, Limited. Testimony in opposition to this measure was submitted by Kaiser Permanente. Comments were also submitted by the Department of Human Services, the Department of Taxation, and the Tax Foundation of Hawaii.

Your Committee finds that increased competition in the marketplace for health insurance is one way to control the cost of health care and provide consumers and businesses with more alternatives. To ensure further discussion on this measure, your Committee has amended this measure by changing the effective date to July 1, 2050.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2093, as amended herein, and

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recommends that it pass Second Reading in the form attached hereto as S.B. No. 2093, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committee on Commerce, Consumer Protection, and Housing,

RON MENOR, Chair

The Senate Twenty-Third Legislature State of Hawaii

Record of Votes of the Committee on Commerce, Consumer Protection and Housing (Bills and Resolutions)

| | COmmittee Referral: Date: | | 2-16-0 | 2-16-06 | |
|--|--|----------|--------|--|--|
| The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: | | | | | |
| The Recommendation is to: | | | | | |
| (2312) | Pass, with amendments Hold Recommit (2311) (2310) (2313) | | | | |
| Members | Ayes | Ayes(WR) | Nays | Excused | |
| MENOR, Ron (C) | | | | | |
| BAKER, Rosalyn H. (VC) | | | | | |
| ESPERO, Will C. | | | | | |
| IGE, David Y. | | | | | |
| SAKAMOTO, Norman | | | | - | |
| HOGUE, Bob | | | | | |
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| TOTAL | | | _ | | |
| TOTAL | 4 | (| | | |
| Recommendation: Adopted Not Adopted | | | | | |
| Chair's on Designee's Signature: | | | | | |
| Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy | | | | | |

^{*}Do not list more than one measure per Record of Votes.