STAND. COM. REP. NO. 723

Honolulu, Hawaii

Fe 716, 2007

RE: H.B. No. 231 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fourth State Legislature Regular Session of 2007 State of Hawaii

Sir:

Your Committee on Health, to which was referred H.B. No. 231 entitled:

"A BILL FOR AN ACT RELATING TO EXCISE TAX ON HEALTH CARE,"

begs leave to report as follows:

The purpose of this measure is to exempt, from the county surcharge on the excise tax, the costs of medical services performed or provided by a licensed medical practitioner, hospital, medical facility, nursing home, or rehabilitation facility.

Testimony in support of this measure was provided by the Healthcare Association of Hawaii, Hawaii Society of Clinical Oncology, and six individuals, including several medical doctors. The Department of Taxation and Tax Foundation of Hawaii offered their comments.

Your Committee is concerned that, while all residents of the State should be entitled to quality medical care, many residents are uninsured patients of community health centers and emergency rooms. This uninsured population places added burdens on our health care system. Your Committee is further concerned that the one-half per cent county surcharge on the excise tax to fund mass transit is further exacerbating this situation. This measure is an attempt to ease that burden by providing for an exemption from the surcharge for the cost of medical services.

Your Committee has amended this measure by excluding, from this exemption from the surcharge tax, any costs for elective medical procedures, including but not limited to cosmetic surgery.

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. 231, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 231, H.D. 1, and be referred to the Committee on Finance.

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

JOSHUA B. GREEN, M.D., Chair

State of Hawaii House of Representatives The Twenty-fourth Legislature



Record of Votes of the Committee on Health

Bill/Resolution No.: +B 231	Date:	2 - 13	-07	
Committee Referral: HLT, FIN	☐ The committee is reconsidering its previous decision on the measure.			
The recommendation is to Pass, unamended	Pass, with amendments			
Hold	Pass, with amendments, for recommittal for further consideration			
HLT Members	Ayes	Ayes (WR)	Nays	Excused
1. GREEN, Josh, M.D. (C)	V		•	
2. MIZUNO, John (VC)				
3. BELATTI, Della Au				
4. BERTRAM, Joe, III				
5. CABANILLA, Rida T.R.				
6. RHOADS, Karl				
7. SHIMABUKURO, Maile S. L.				
8. TAKAI, K. Mark				
9. TOKIOKA, James Kunane				
10. AWANA, Karen Leinani				
11. WARD, Gene, Ph.D.	<u> </u>		. 4 . 5 . 1	
TOTAL	9	1		
The recommendation is:				
☐ Not Adopted				
If joint referral,		did not sunno	rt recommendation	
If joint referral, did not support recommendation. committee acronym(s)				
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Vice Chair's or designee's signature:				
John M. Megro				
Distributions Original (White) Committee Duplicate (Valley) Clauble (165				
Distribution: Original (White) – Committee Duplicate (Yellow) – Clerk's Office				