Honolulu, Hawaii

Fem 29, 2008

RE: H.B. No. 2759 H.D. 2

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fourth State Legislature Regular Session of 2008 State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2759, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this bill is to ensure the strength of Hawaii's health care safety net by providing that the general excise tax (GET) does not apply to nonprofit and for-profit hospitals that provide services to an annual patient population consisting of 60 percent or more uninsured, Medicaid and Medicare patients.

The Representative from the  $42^{\rm nd}$  District and Hawaii Medical Center supported this bill. The Department of Taxation and Tax Foundation of Hawaii submitted comments.

Your Committee has amended this bill by:

- (1) Providing a GET exemption for gross income received from Medicaid or Medicare by a for-profit hospital group that provides services to an annual patient population consisting of 60 percent or more uninsured, medicaid, and medicare patients;
- (2) Ensuring that the GET exemption provided under this bill will only last six years by inserting a sunset date of June 1, 2014;

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- (3) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2759, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2759, H.D. 2.

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

MARCUS R. OSHIRO, Chair

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



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

Bill/Resolution No.: HB 2759	Committee Referral:		Date: 2 -2 2-2008	
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to:  Pass, unamended (as is)  Pass, with amendments (HD)  Hold  Pass short form bill with HD to recommit for future public hearing (recommit)				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. OSHIRO, Marcus R. (C)	V			
2. LEE, Marilyn B. (VC)	V			
3. AWANA, Karen Leinani	V			
4. BELATTI, Della Au				
5. BROWER, Tom	\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \			
6. CARROLL, Mele	V			
7. HANOHANO, Faye P.	V			
8. HAR, Sharon E.				レ
9. KARAMATSU, Jon Riki				
10. MAGAOAY, Michael Y.				
11. MANAHAN, Joey				
12. MIZUNO, John				
13. NAKASONE, Bob				
14. RHOADS, Karl				
15. SAGUM, Roland D., III				
16. TOKIOKA, James Kunane				
17. MEYER, Colleen Rose				
18. PINE, Kymberly Marcos	L L			
19. WARD, Gene, Ph.D.				
TOTAL (19)	16		0	2
The recommendation is:  Adopted  If joint referral, did not support recommendation.  committee acronym(s)				
Vice Chair's or designee's signature: Marily 3. Lee				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office				