

Honolulu, Hawaii

, 2020

**FEB 13**

RE: H.B. No. 1633  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirtieth State Legislature  
Regular Session of 2020  
State of Hawaii

Sir:

Your Committee on Health, to which was referred H.B. No. 1633  
entitled:

"A BILL FOR AN ACT RELATING TO AUDITORY DEVICES,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Exempt gross receipts from the sale of auditory devices,  
such as hearing aids, from the general excise tax;
- (2) Amend the definition of "prosthetic device" to include  
hearing aids and devices worn on the body; and
- (3) Exempt gross receipts from the repair of prosthetic  
devices from the general excise tax.

Your Committee received testimony in support of this measure  
from the Disability and Communication Access Board and two  
individuals. Your Committee received comments on this measure  
from the Department of Taxation.

Your Committee finds that auditory devices, including hearing  
aids, are expensive. The cost of hearing aids is not covered by  
Medicare, and not all insurance policies provide hearing aid  
benefits. In addition, purchasing hearing aids may be a financial



hardship for families that have a deaf or hard-of-hearing child who requires the frequent replacement of a hearing aid as the child grow older. This measure seeks to help lower the expense of purchasing auditory devices.

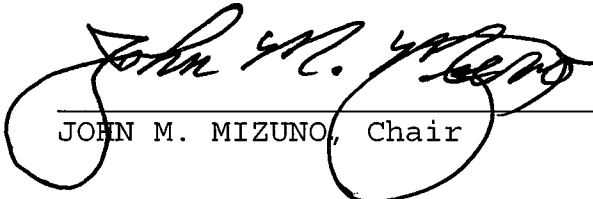
Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee notes that the Department of Taxation testified that it is able to administer the changes proposed in this measure but requested that its effective date be amended to January 1, 2021, to allow the Department sufficient time to make the necessary form and computer-system changes.

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. 1633, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1633, H.D. 1, and be referred to your Committee on Finance.

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

  
\_\_\_\_\_  
JOHN M. MIZUNO, Chair



