

Honolulu, Hawaii

MAY 13 2020

RE: H.B. No. 1633

H.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirtieth State Legislature  
Regular Session of 2020  
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health, to which was referred H.B. No. 1633, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to lower the high cost of purchasing auditory devices, including hearing aids, by:

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

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

Your Committee finds that most auditory devices, including hearing aids, are expensive and purchasing hearing aids may be a



financial hardship for families with a deaf or hard-of-hearing child because of the need for frequent replacement. The cost of hearing aids is not covered by Medicare, and not all insurance policies provide hearing aid benefits. This measure would reduce the cost burden associated with purchasing auditory devices, such as hearing aids, as increasing affordability of auditory devices for individuals with a hearing loss is an important step toward addressing the increased risk for other cognitive issues.

Your Committee notes the testimony of the Department of Taxation expressing concerns to extend the effective date of this measure to January 1, 2021, to allow 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 Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1633, H.D. 1, and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

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




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ROSALYN H. BAKER, Chair



The Senate  
Thirtieth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Commerce, Consumer Protection, and Health**  
**CPH**

Bill / Resolution No.:*	Committee Referral:	Date:		
HB1633 HDI	CPH, WAM	3-13-2020		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input checked="" type="checkbox"/> Pass, unamended 2312	<input type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
CHANG, Stanley (VC)	✓			
NISHIHARA, Clarence K.				✓
RUDERMAN, Russell E.	✓			
THIELEN, Laura H.	✓			
WAKAI, Glenn	✓			
FEVELLA, Kurt	✓			
<b>TOTAL</b>	6			1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

\*Only one measure per Record of Votes