STAND. COM. REP. NO. 665

Honolulu, Hawaii
February 15 , 2019

RE: H.B. No. 632 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirtieth State Legislature Regular Session of 2019 State of Hawaii

Sir:

Your Committee on Health, to which was referred H.B. No. 632 entitled:

"A BILL FOR AN ACT RELATING TO THE GENERAL EXCISE TAX," begs leave to report as follows:

The purpose of this measure is to:

- (1) Provide a general excise tax (GET) exemption for amounts received from the sales of prescription drugs sold pursuant to the prescription, diabetic supplies, prosthetic devices, medical oxygen, human blood and its derivatives, mobility enhancing equipment sold by prescription, and repair and replacement parts for any of the exempt aforementioned devices and equipment;
- (2) Repeal the exclusion of cannabis or manufactured cannabis products from the definition of "prescription drugs" for purposes of the GET tax exemption; and
- (3) Expand the definition of prosthetic device.

The Department of Taxation and Tax Foundation of Hawaii provided comments on this measure.

Your Committee has amended this measure by:

- (1) Exempting from the GET, amounts received from the sale of durable medical equipment when sold for human use;
- (2) Defining "durable medical equipment";
- (3) Changing its effective date to July 1, 2050, to facilitate further discussion; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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. 632, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 632, 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, Ohair

State of Hawaii House of Representatives The THIRTIETH Legislature

HSCR 665

Record of Votes of the Committee on Health

Bill/Resolution No.:	Committee Referral:		Date:		
HB632	Hrt, FIN 2-14-19			9	
☐ 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)					
HLT Members	Ayes	Ayes (WR)	Nays	Excused	
1. MIZUNO, John M. (C)					
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2. KOBAYASHI, Bertrand (VC)					
3. BELATTI, Della Au					
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4. NAKAMURA, Nadine K.					
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5. SAN BUENAVENTURA, Joy A					
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6. SAY, Calvin K.Y.			and stray and local		
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7. TOKIOKA, James Kunane					
8. WARD, Gene					
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TOTAL (8)	6				
The recommendation is: Adopted Not Adopted If joint referral, did not support recommendation. committee acronym(s)					
Vice Chair's or designee's signature:					
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO					