STAND. COM. REP. NO. 408 -22

Honolulu, Hawaii

## FEB 1 5 ' 2022

RE: H.B. No. 2414

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-First State Legislature Regular Session of 2022 State of Hawaii

Sir:

Your Committee on Economic Development, to which was referred H.B. No. 2414 entitled:

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

begs leave to report as follows:

The purpose of this measure is to establish a general excise tax exemption for the gross proceeds or income from the manufacture, production, packaging, and sale of diapers.

Your Committee received testimony in support of this measure from the Hawai'i Diaper Bank, Aloha Diaper Bank, Nest for Families a Program of Multiplier, Family Support Hawai'i, Hawaii Children's Action Network Speaks!, Retail Merchants of Hawaii, Neighborhood Place of Kona, Hilo Crescent City Lions Club, National Diaper Bank Network, Hawaii Food Industry Association, and ten individuals. Your Committee received comments on this measure from the Department of Taxation, Department of Budget and Finance, and Tax Foundation of Hawaii.

Your Committee finds that one out of every three families struggle with diaper needs, or the inability to provide a sufficient supply of diapers to keep their child clean, dry, and healthy. Unlike other necessities, there is currently no governmental assistance for purchasing diapers. Your Committee further finds that due to the exorbitant cost of diapers, some



STAND. COM. REP. NO. 408 -22 Page 2

families are forced to stretch the time between diaper changes, which often leads to diaper rash and other painful infections. This measure would help families in need by providing a general excise tax exemption for diapers, thereby ensuring the health of babies in the State.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2414 and recommends that it pass Second Reading and be referred to your Committee on Finance.

> Respectfully submitted on behalf of the members of the Committee on Economic Development,

DUINLAN. Chair



State of Hawaii House of Representatives The Thirty-first Legislature



## **Record of Votes of the Committee on Economic Development**

Bill/Resolution No.: HB 2414	Committee Referral: ELD, FIN		Date: 2/11/22	
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)				
ECD Members	Ayes	Ayes (WR)	Nays	Excused
1. QUINLAN, Sean (C)				
2. HOLT, Daniel (VC)				
3. BELATTI, Della Au				
4. KOBAYASHI, Dale T.				
5. ONISHI, Richard H.K.				
6. SAYAMA, Jackson D.				
7. TAKAYAMA, Gregg				
8. OKIMOTO, Val				
TOTAL (8) The recommendation is: Add		O		U
The recommendation is: Image: Adopted in the commendation is: Image: Adopted in the commendation is:   If joint referral,				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				