

STAND. COM. REP. NO. 91

Honolulu, Hawaii
FEB 07 , 2023

RE: H.B. No. 855
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Health & Homelessness, to which was referred H.B. No. 855 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 in the State.

Your Committee received testimony in support of this measure from the Hawai'i Diaper Bank, National Diaper Bank Network, Hawai'i Children's Action Network Speaks!, Early Childhood Action Strategy, Retail Merchants of Hawaii, Hawaii State Coalition Against Domestic Violence, Ma'i Movement Hawai'i, Aloha Diaper Bank, and four individuals. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that the regressive nature of the State's general excise tax makes it difficult for some families to afford basic life necessities such as diapers. Your Committee further finds that a lack of adequate diapers can negatively

impact struggling families, as a lack of clean diapers can result in a loss of access to child care, leading to absences at work and reductions in monthly income. This measure is intended to assist families by reducing the general excise tax burden through a general excise tax exemption for diapers.

Your Committee has amended this measure by changing the effective date to June 30, 3000, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Health & Homelessness that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 855, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 855, H.D. 1, and be referred to your Committee on Economic Development.

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



DELLA AU BELATTI, Chair



