

Honolulu, Hawaii

APR 26 2024

RE: S.B. No. 1035  
S.D. 2  
H.D. 1  
C.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Second State Legislature  
Regular Session of 2024  
State of Hawaii

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-Second State Legislature  
Regular Session of 2024  
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 1035, S.D. 2, H.D. 1, entitled:

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

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to exempt from the general excise tax amounts received by a hospital, infirmary, medical clinic, health care facility, or pharmacy, or a medical or dental practitioner, for health care-related goods and services purchased under Medicaid, Medicare, or TRICARE.

Your Committee on Conference finds that, under the existing general excise tax law, there is an incongruity in the way medical service providers are treated. Your Committee on Conference also finds that medical services rendered at a nonprofit hospital, infirmary, or sanitarium are exempt from the general excise tax, whereas the same services rendered by individual or group practices

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or clinics are fully taxable. Your Committee on Conference further finds that government programs, such as Medicare, Medicaid, and TRICARE, do not compensate for the tax differential, leading some health care providers to bear additional economic costs.

Your Committee on Conference has amended this measure by:

- (1) Changing the effective date from June 30, 3000, to January 1, 2026; and
- (2) Making technical nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1035, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1035, S.D. 2, H.D. 1, C.D. 1.

Respectfully submitted on behalf of the managers:

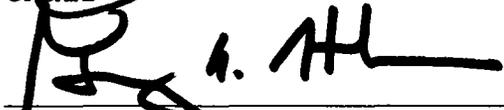
ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE

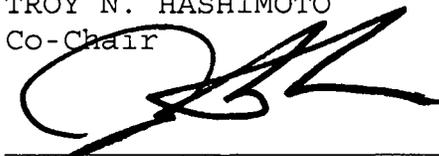
  
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 JENNA TAKENOUCHI  
 Co-Chair

  
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 JOY A. SAN BUENAVENTURA  
 Chair

  
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 DANIEL HOLT  
 Co-Chair

  
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 TROY N. HASHIMOTO  
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 FACHELE LAMOSAO  
 Co-Chair

  
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 JARRETT KEOHOKALOLE  
 Co-Chair



