

STAND. COM. REP. NO. 408

Honolulu, Hawaii

FEB 17 2023

RE: S.B. No. 606  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Second State Legislature  
Regular Session of 2023  
State of Hawaii

Sir:

Your Committee on Health and Human Services, to which was referred S.B. No. 606 entitled:

"A BILL FOR AN ACT RELATING TO HEARING AIDS,"

begs leave to report as follows:

The purpose and intent of this measure is to exempt from the general excise tax, gross receipts received by a hospital, infirmary, medical clinic, health care facility, pharmacy, or a practitioner licensed to administer drugs to an individual, from the sale of hearing aids.

Your Committee received testimony in support of this measure from the Disability and Communication Access Board, Democratic Party of Hawai'i Kupūna Caucus, and four individuals. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that hearing is one of the most important senses upon which an individual depends for communication. Your Committee further finds that hearing loss is known to be the largest modifiable risk factor for developing dementia. If left untreated, hearing loss can, over time, lead to an increase in cognitive decline and exacerbate social isolation, both of which can contribute to dementia risk. Your Committee finds however, depending on the technology used, hearing aids can cost about \$4,500 to \$4,900 each and are not typically covered by



health insurance and are further subject to substantial amounts in general excise taxes. This measure will make hearing aids more affordable and aligns Hawaii with the majority of other state that exempt the sale of hearing aids from taxation.

Your Committee acknowledges testimony suggesting that "hearing aid" be defined to avoid ambiguity regarding the scope of the general excise tax exemption. Accordingly, amendments to this measure are necessary to address this issue.

Additionally, should your Committee on Ways and Means choose to deliberate on this measure, your Committee respectfully requests that it considers the Department of Taxation's request that the effective date of the measure be amended to no earlier than January 1, 2024, to allow the Department sufficient time to make the necessary form and system changes.

Your Committee has amended this measure by:

- (1) Inserting language that defines "hearing aid" to mean the same as defined in section 451A-1, Hawaii Revised Statutes;
- (2) Inserting an effective date of December 31, 2050, to encourage further discussion; and
- (3) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 606, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 606, S.D. 1, and be referred to your Committee on Ways and Means.



Respectfully submitted on  
behalf of the members of the  
Committee on Health and Human  
Services,



JOY A. SAN BUENAVENTURA, Chair



The Senate  
 Thirty-Second Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Health and Human Services**  
**HHS**

Bill / Resolution No.:* <i>SB 606</i>	Committee Referral: <i>HHS, WAM</i>	Date: <i>2/8/23</i>		
<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 type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
SAN BUENAVENTURA, Joy A. (C)	✓			
AQUINO, Henry J.C. (VC)	✓			
MORIWAKI, Sharon Y.	✓			
SHIMABUKURO, Maile S.L.				✓
AWA, Brenton	✓			
<b>TOTAL</b>	<b>4</b>			<b>1</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes