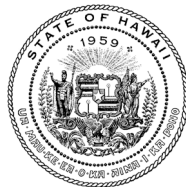


**JOSH GREEN M.D.**  
GOVERNOR

**SYLVIA LUKE**  
LT. GOVERNOR



**GARY S. SUGANUMA**  
DIRECTOR

**KRISTEN M.R. SAKAMOTO**  
DEPUTY DIRECTOR

STATE OF HAWAII  
**DEPARTMENT OF TAXATION**  
Ka 'Oihana 'Auhau  
P.O. BOX 259  
HONOLULU, HAWAII 96809  
PHONE NO: (808) 587-1540  
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**TESTIMONY OF  
GARY S. SUGANUMA, DIRECTOR OF TAXATION**

**TESTIMONY ON THE FOLLOWING MEASURE:**

H.B. No. 1996, Relating to Hearing Aids

**BEFORE THE:**

House Committee on Health

**DATE:** Wednesday, February 4, 2026

**TIME:** 9:00 a.m.

**LOCATION:** State Capitol, Room 329

Chair Takayama, Vice-Chair Keohokapu-Lee Loy, and Members of the Committee:

The Department of Taxation (DOTAX) offers the following comments regarding H.B. 1996 for your consideration.

H.B. 1996 amends section 237-24.3, Hawaii Revised Statutes (HRS), governing general excise tax (GET) exemptions by (1) including a GET exemption for hearing aids, and (2) incorporating by reference the hearing aid definition from section 451A-1, HRS.

The bill has an effective date of July 1, 2026, and it would sunset on January 1, 2028, with section 237-24.3 reenacted in the form in which it read on the day prior to the effective date of this Act.

DOTAX recommends that the effective date of the bill be amended to January 1, 2027, to provide sufficient time for form and instruction changes, and notice to taxpayers.

Thank you for the opportunity to provide comments on this measure.



## DISABILITY AND COMMUNICATION ACCESS BOARD

Ka 'Oihana Ho'oka'a'ike no ka Po'e Kīnānā

1010 Richards Street, Rm. 118 • Honolulu, Hawai'i 96813  
Ph. (808) 586-8121 (V) • Fax (808) 586-8129 • (808) 204-2466 (VP)

February 4, 2026

**LATE**

### TESTIMONY TO THE HOUSE COMMITTEES ON HEALTH AND ON HUMAN SERVICES & HOMELESSNESS

#### House Bill 1996 – Relating to Hearing Aids

The Disability and Communication Access Board (DCAB) supports the intent of House Bill 1996 – Relating to Hearing Aids. This bill exempts from the general excise tax, gross receipts from the sale of hearing aids received by a hospital, infirmary, medical clinic, health care facility, pharmacy, or a practitioner licensed to administer drugs to an individual. And sunsets 1/1/2028.

Hearing aids are a vital auxiliary aid for people who are deaf or hard of hearing and can facilitate effective communication. Hearing aids prices range from a few hundred to thousands of dollars for one ear, if one needs two hearing aids, the cost can present a barrier for those with limited income. Due to the rising costs of living and hearing aids, DCAB requests that the sunset date be removed from the bill.

Thank you for the opportunity to testify.

Respectfully submitted,

*Kristine Pagano*

KRISTINE PAGANO  
Acting Executive Director

# TAX FOUNDATION OF HAWAII

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735 Bishop Street, Suite 417

Honolulu, Hawaii 96813 Tel. 536-4587

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SUBJECT: GENERAL EXCISE, Exemption for Hearing Aids

BILL NUMBER: HB 1996

INTRODUCED BY: TAKENOUCHI, AMATO, GARCIA, KEOHOKAPU-LEE LOY,  
MARTEN, OLDS, TAKAYAMA, Alcos

EXECUTIVE SUMMARY: Exempts from the general excise tax, gross receipts from the sale of hearing aids received by a hospital, infirmary, medical clinic, health care facility, pharmacy, or a practitioner licensed to administer drugs to an individual. Sunsets 1/1/2028.

SYNOPSIS: Amends section 237-24.3(6), HRS, to exempt amounts from the sale of hearing aids. The exemption does not apply to amounts received for services provided in selling hearing aids.

Hearing aid has the meaning defined in section 451A-1, HRS.

EFFECTIVE DATE: July 1, 2026, repeals on January 1, 2028.

STAFF COMMENTS: The bill is intended to temporarily exempt the sale of hearing aids from the general excise tax.

Existing law, section 237-24.3(6), HRS, exempts sales of prescription drugs and prosthetic devices.

Furthermore, section 237-24.3(12), HRS, effective January 1, 2026, exempts healthcare-related goods or services purchased under Medicare, Medicaid, or TRICARE.

Over-the-counter medicines and products not purchased under Medicare, Medicaid, or TRICARE, whether to promote ocular, auditory, or dental health, are not currently exempt.

It is questionable why hearing aids are being singled out for special treatment.

Digested: 1/30/2026

HOUSE OF REPRESENTATIVES  
THE THIRTY-THIRD LEGISLATURE  
REGULAR SESSION OF 2026

COMMITTEE ON HUMAN SERVICES AND HOMELESS  
AND  
COMMITTEE ON HEALTH

Testimony on HB 1996  
Hearing: February 4, 2026

RELATING TO HEARING AIDS

Chairs, Vice Chairs, and members of the Committees, my name is Peter Fritz. I am an individual with a hearing disability and a hearing aid user. I am testifying in support of HB 1996.

The purpose of this bill is to exempt the sale of hearing aids from the general excise tax (GET). This exemption will reduce the cost of these devices for consumers. While the current bill text does not mention dementia, the link between hearing loss and cognitive decline justifies this tax exemption.

**I. Medical Evidence Linking Hearing Health and Cognition**

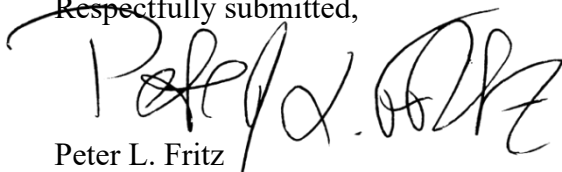
Hearing loss is a modifiable risk factor for developing dementia. An analysis in The Lancet indicates that treating hearing loss in midlife has the potential to diminish the incidence of dementia by 9 percent. Furthermore, a study in the journal Nature recommends the use of hearing aids to forestall cognitive decline by facilitating social engagement. Research shows that hearing aid usage is associated with a 19 percent decrease in the hazards of long-term cognitive decline. Reducing the cost of hearing aids will allow more individuals to acquire these devices, which serves as a method to address cognitive health.

**II. Financial Impact of the General Excise Tax**

The cost for a pair of hearing aids ranges from \$4,000 to \$8,000. On a \$6,000 purchase, the GET is approximately \$283. This tax increases the financial burden on individuals seeking medical treatment for hearing loss. Removing this tax will improve the affordability of prescriptive medical devices.

Thank you for the opportunity to testify.

Respectfully submitted,



Peter L. Fritz  
plflegis@fritzhq.com

**HB-1996**

Submitted on: 2/2/2026 4:37:10 PM

Testimony for HLT on 2/4/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Lila Mower	Individual	Support	Written Testimony Only

Comments:

I support this proposal.

**HB-1996**

Submitted on: 2/2/2026 11:30:20 PM

Testimony for HLT on 2/4/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Akiko Kawai	Individual	Support	Written Testimony Only

**Comments:**

I am writing as a family physician in training (family medicine resident) practicing on O'ahu to urge your support for SB1996, which would exempt hearing aids from the state GET. This policy change would directly address a critical public health need by reducing financial barriers to essential medical devices that improve health outcomes and reduce long-term health care costs.

**The Problem**

Hearing loss affects approximately two-thirds of adults aged 70 years or older and is associated with accelerated cognitive decline, increased caregiver burden, depression, social isolation, falls, and higher health care expenditures. Despite these well-documented harms, only 14% of adults with hearing loss use hearing aids. Cost represents the primary barrier—the average price for a pair of fitted prescription hearing aids ranges from \$2,200 to \$7,000, with typical costs between \$1,400 and \$2,200. Over-the-counter hearing aids and earphones with hearing aid capabilities are more affordable than prescription hearing aids, though they still cost \$200 to \$800. The Veterans Affairs health system provides veterans with prescription hearing aids at \$0 out-of-pocket cost, and I have seen many veterans benefit from them; some have said, "Now I can hear my wife again!" Unfortunately, hearing aid coverage is not universal; the vast majority of patients must pay up to 100% of the cost, with the GET added on top.

**The Benefits**

Evidence demonstrates that hearing aid use reduces hospitalizations and emergency department visits while increasing preventive office visits.[2] Among older adults with hearing loss, hearing aid users had a 2-percentage-point reduction in both emergency department visits and hospitalizations, along with a 4-percentage-point increase in office visits.[2] For those hospitalized, hearing aid use reduced hospital nights by 0.46 nights (5%).[2]

These patterns suggest that hearing aids facilitate better communication with health care providers, improved treatment adherence, and earlier intervention for health problems—ultimately reducing the need for costly urgent and emergency care.[2] Medical expenditures associated with hearing loss in older adults totaled approximately \$3.1 billion in 2010.[2]

**The Solution**

Exempting hearing aids from state GET would directly reduce out-of-pocket costs and promote health equity by making these essential medical devices more accessible to all residents, regardless of income or insurance status.

The fiscal impact to the state would be modest compared to the potential health and economic benefits. By facilitating earlier adoption of hearing aids, this exemption could reduce downstream costs associated with preventable hospitalizations, emergency visits, and cognitive decline.

I respectfully urge your support for this legislation.

Sincerely,

Akiko Kawai, MD, MBA

Family Physician In Training

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#### References

- 1.Bridging the Hearing Divide: Policy Solutions for Aging Americans.American Journal of Public Health. 2025. Swamy MR, Marottoli R, Cohen AB.
- 2.Association Between Hearing Aid Use and Health Care Use and Cost Among Older Adults With Hearing Loss. JAMA Otolaryngology-- Head & Neck Surgery. 2018. Mahmoudi E, Zazove P, Meade M, McKee MM.
- 3.Hearing Loss in Adults. The New England Journal of Medicine. 2017. Cunningham LL, Tucci DL.

February 3, 2026

Submitted to the Hawaii State House  
COMMITTEE ON HEALTH

Honorable Representative Greg Takayama, Chair  
Honorable Representative Sue L. Keohokapu-Lee Loy, Vice Chair

Re: HB 1996 RELATING TO HEARING AIDS

Dear Chair Takayama, Vice Chair Keohokapu-Lee Loy and Members,

I would like to enthusiastically support HB 1996, relating to hearing aids. As a vocational rehabilitation specialist for over 4 decades, I know first hand the many costs incurred in everyday life for people using hearing aids. First, there is the very high cost of hearing aids. Many people can barely afford a hearing aid. Secondly, you add the cost of batteries. Hearing aid batteries often need to be changed every 6 weeks costs about \$8.00-45.00 for a pack of 12. Newer aids often have rechargeable batteries. Then there are dehumidifiers or dryers for hearing aids that can cost \$5 to \$100+ depending on basic jars or electric faster drying types.

These costs on top of the cost of rent, utilities, food, gas and childcare can be insurmountable for any family. Exempting the general excise tax on the gross cost for the hearing aid will go a long way to help afford 2 hearing aids. Rarely, is only 1 aid recommended.

I strongly support HB 1996. Kindly pass this important bill.

Mahalo in advance,

Eleanor Macdonald, M.Ed., CRC (ret.)  
District 13

**HB-1996**

Submitted on: 2/3/2026 8:02:05 AM

Testimony for HLT on 2/4/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Sherry Shimizu	Individual	Support	Written Testimony Only

## Comments:

February 3, 2026

Dearest Honorables Representatives Takayama (Chair), Keohokapu-Lee Loy (Vice Chair), and Members Amato, Hartsfield, Marten, Olds, Takenouchi, Alcos, and Garcia of House Committee on Health (HLT):

I am testifying today to express my very strong support for HB 1996, which will exempt hearing aids from Hawai'i's General Excise Tax as I reside in the same district as Representative Chair Takayama and have graduated from Pearl City High School way back then. The cost of a pair of hearing aids ranges from \$4,000 to \$8,000. In Hawaii, the general excise tax on a \$6,000 purchase is approximately \$283. This tax represents an additional expense for a medical necessity, so this bill will help make hearing aids more affordable and is very important to me personally, because I have been Deaf in one ear and hard-of-hearing in the other ear all of my life; I used to use one lateral hearing aid and decided to stop about 8 years ago. Moreover, because hearing aids are very expensive, I cannot afford new ones, similarly with my family members and friends. My parents, siblings and other family members are also either Hard-of-Hearing or Deaf. Based on my experiences and those of my family and friends' which I just explained, I believe children of school age who want Hearing Aids can and this accommodation contribute to their future success just like me.

Thank you for the opportunity to testify and sincerely,  
Sherry Shimizu