

STAND. COM. REP. NO.

2549

Honolulu, Hawaii

**FEB 20 2026**

RE: S.B. No. 2431  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Third State Legislature  
Regular Session of 2026  
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 2431 entitled:

"A BILL FOR AN ACT RELATING TO HEALTH SAVINGS ACCOUNTS,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish a temporary tiered nonrefundable tax credit for qualified taxpayer insurers that offer one or more federally qualified health savings account-eligible high deductible health plans, particularly in rural medically underserved areas of the State, for taxable years beginning January 1, 2026; and
- (2) Require qualified taxpayer insurers to match up to a certain amount of a policyholder's first-time contribution into a health savings account.

Your Committee received testimony in support of this measure from two individuals.

Your Committee received comments on this measure from the Department of Taxation, Department of Labor and Industrial Relations, Tax Foundation of Hawaii, and Hawaii Medical Association.



Your Committee finds that recent federal changes may result in loss of Medicaid coverage and higher health care insurance costs for many residents of the State. This measure would make health care insurance options more affordable and accessible, particularly in rural and medically underserved areas of the State, by providing tiered tax incentives for insurers that provide certain health care plans.

Your Committee has amended this measure by:

- (1) Inserting language that clarifies that a health plan must be written for an insured residing in certain areas of the State;
- (2) Deleting language that would have capped the total aggregate amount of tax credits claimed in any taxable year;
- (3) Inserting language that requires a tax credit to be claimed within five years of the taxable year in which the credit may be claimed;
- (4) Inserting language that requires the Department of Taxation to adopt rules to require a qualified taxpayer claiming a tax credit to report certain information to the Department;
- (5) Inserting a definition of "rural";
- (6) Amending section 1 to reflect its amended purpose;
- (7) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (8) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2431, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B.



No. 2431, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Commerce and  
Consumer Protection,



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JARRETT NEOHOKALOLE, Chair



