

STAND. COM. REP. NO.

**2573**

Honolulu, Hawaii

**FEB 20 2026**

RE: S.B. No. 2935  
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 Health and Human Services, to which was referred S.B. No. 2935 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to establish a general excise tax exemption for the gross proceeds or income from the sale of:

- (1) Groceries that are eligible under the Supplemental Nutrition Assistance Program and Special Supplemental Nutrition Program for Women, Infants, and Children, regardless of the means of purchase and the program eligibility of the purchaser;
- (2) Nonprescription drugs and medical supplies;
- (3) Feminine hygiene products; and
- (4) Diapers.

Your Committee received testimony in support of this measure from the Hawaii Public Health Institute; Grassroot Institute of Hawaii; Hawaii Food Industry Association; AlohaCare; Hawaii Appleseed Center for Law & Economic Justice; Consumer Healthcare



Products Association, Holomua Collaborative; and three 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 cost of living in the State is among the highest in the nation, with many residents struggling to afford basic necessities. Your Committee further finds that many essentials are taxed under the general excise tax at each stage of the supply chain, which contributes to higher overall costs and makes this regressive tax harder on households with the least disposable income. This measure removes the general excise tax from essential items to help deliver financial relief for working class families in the State, improve the regressivity of the State's tax structure, and provide an opportunity for a more just economic system.

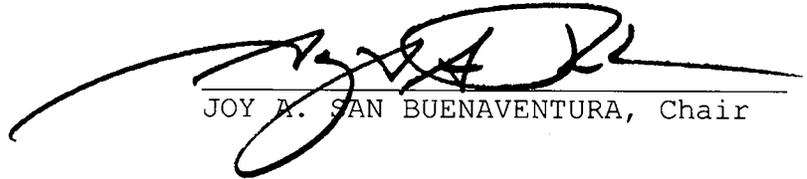
Your Committee has amended this measure by:

- (1) Deleting language that would have exempted eligible groceries, nonprescription drugs and medical supplies, and diapers from the general excise tax; and
- (2) Inserting an effective date of January 30, 2050, to encourage further discussion.

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. 2935, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2935, 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-Third Legislature  
 State of Hawai'i

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

Bill / Resolution No.:* <b>SB 2935</b>	Committee Referral: <b>HHS, WAM</b>	Date: <b>2/18/2026</b>		
<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)	✓			
MCKELVEY, Angus L.K. (VC)	✓			
KANUHA, Dru Mamo	✓			
KEOHOKALOOLE, Jarrett	✓			
FEVELLA, Kurt	✓			
<b>TOTAL</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original    Yellow    Pink File with Committee Report    Committee    Drafting Agency				

\*Only one measure per Record of Votes