



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 13, 2026

TESTIMONY TO THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT AND TECHNOLOGY

House Bill 1996 House Draft 1 – Relating to Hearing Aids

The Disability and Communication Access Board (DCAB) supports the intent of House Bill 1996 House Draft 1– 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.

Hearing aids are a vital auxiliary aid for people who are deaf or hard of hearing and can facilitate effective independent communication. The cost of a hearing aid is not affordable for many, and the exemption would increase people with hearing loss to purchase hearing aids at an affordable price to continue independence.

Thank you for the opportunity to testify.

Respectfully submitted,

KRISTINE PAGANO
Acting Executive Director

JOSH GREEN M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION

Ka 'Oihana 'Auhau

P.O. BOX 259

HONOLULU, HAWAII 96809

PHONE NO: (808) 587-1540

FAX NO: (808) 587-1560

GARY S. SUGANUMA
DIRECTOR

KRISTEN M.R. SAKAMOTO
DEPUTY DIRECTOR

**TESTIMONY OF
GARY S. SUGANUMA, DIRECTOR OF TAXATION**

TESTIMONY ON THE FOLLOWING MEASURE:

H.B. No. 1996, H.D.1, Relating to Hearing Aids

BEFORE THE:

House Committee on Economic Development & Technology

DATE: Friday, February 13, 2026

TIME: 8:30 a.m.

LOCATION: State Capitol, Room 423

Chair Ilagan, Vice-Chair Hussey, and Members of the Committee:

The Department of Taxation (DOTAX) offers the following comments regarding H.B. 1996, H.D.1, for your consideration.

H.B. 1996, H.D.1, 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 a defective effective date of July 1, 3000.

DOTAX notes that it can implement the tax law changes in this bill with a January 1, 2027, effective date.

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

TAX FOUNDATION OF HAWAII

735 Bishop Street, Suite 417

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: GENERAL EXCISE, Exemption for Hearing Aids

BILL NUMBER: HB 1996 HD 1

INTRODUCED BY: HLT

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. Effective 7/1/3000. (HD1)

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.

The measure makes other nonsubstantive amendments to sec 237-24.3 for clarification.

EFFECTIVE DATE: July 1, 3000

STAFF COMMENTS: The bill is intended to 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: 2/11/2026

HB-1996-HD-1

Submitted on: 2/10/2026 5:45:40 PM

Testimony for ECD on 2/13/2026 8:30:00 AM

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

Comments:

.

HB-1996-HD-1

Submitted on: 2/10/2026 8:38:33 PM

Testimony for ECD on 2/13/2026 8:30:00 AM

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

Comments:

My name is Cheryl Shimizu. I support HB 1996. I use hearing aids every day. They are expensive because my insurance does not cover the total cost. The tax creates a financial hardship. This bill will help me remain independent. Please pass this bill. Thank you.

HB-1996-HD-1

Submitted on: 2/11/2026 10:08:07 AM

Testimony for ECD on 2/13/2026 8:30:00 AM

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

Comments:

February 11, 2026

Dearest Honorables Representatives Ilagan (Chair), Hussey (Vice Chair), and Members Holt, Tam, Templo, Yamashita, and Gedeon of House Committee on Economic Development & Technology (ECD):

I am testifying today to express my very strong support for HB1996, which will exempt hearing aids from Hawai'i's General Excise Tax. The cost of a pair of hearing aids ranges from \$2,000 to \$6,000. In Hawai'i, 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 10 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

PETER L. FRITZ

T-MOBILE RELAY: (808) 586-0077

EMAIL: PLFLEGIS@FRITZHQ.COM

To: Committee on Economic Development and Technology

Hearing Date: February 13, 2026

RE: Testimony in Support of HB 1996 HD1 – Relating to Hearing Aids

Chair, Vice Chair, and Members of the Committee:

My name is Peter Fritz. I am an attorney, an advocate for individuals with disabilities, and an individual who is hard of hearing. I am testifying in support of HB 1996 HD1, which exempts hearing aids from the general excise tax.

As an individual with a disability covered by Medicare, I paid the full cost of my hearing aids. Medicare does not cover these devices. On my most recent purchase, I paid \$127 dollars in general excise tax. This tax increases the cost for individuals on fixed incomes who require hearing aids. Children with hearing loss use hearing aids for development and education. Parents incur costs as children require equipment to accommodate growth. A pair of hearing aids for a child with profound hearing loss can result in \$270 dollars in general excise tax. This is a cost to families for a medical necessity.

Research has identified a link between hearing loss and dementia. The 2024 Lancet Commission found that hearing impairment is a factor for dementia, contributing to 7 percent of cases.¹ In Hawaii, long-term care costs are a significant factor in planning. As of 2026, the median monthly cost for memory care in Hawaii is \$14,399 dollars, or \$172,788 dollars annually.² The use of hearing aids can delay the onset of dementia and reduce the frequency of emergency room visits. This measure reduces costs associated with health decline. I support the removal of the sunset provisions. Making this exemption permanent provides stability for residents and medical providers. I request that the committee pass HB 1996 HD1.

Thank you for the opportunity to submit this testimony.

¹ Livingston, G., Huntley, J., Liu, K. Y., et al. (2024). Dementia prevention, intervention, and care: 2024 report of the Lancet standing Commission. *The Lancet*, 404(10452), 572-628.

² SeniorLiving.org. (2026). 2026 Average Memory Care Costs by State.

February 12, 2026

Submitted to the Hawaii House of Representatives
House Committee on Economic Development & Technology

HB 1996 Relating to Deaf Individuals

Aloha Chairman Greggor Ilagan and Members of the Committee,

My name is Maile Paongo. I am a deaf resident of Hawaii, and I appreciate the opportunity to speak in support of the bill to exempt hearing aids from the general excise tax (GET). I urge you to pass this bill so that hearing aids are treated as necessary medical equipment — not as luxury consumer goods.

This bill (see text filed as SB2848 / SB1495) would exempt gross receipts from the sale of hearing aids when those devices are sold through hospitals, clinics, pharmacies, and licensed practitioners. That targeted exemption is practical and consistent with how many states treat medically necessary devices.

Hearing aids are not optional toys or entertainment devices like smartphones. They are medical devices that allow deaf and hard-of-hearing people to access spoken communication, participate in work, school, community life, and to stay safe. The National Institute on Deafness and Other Communication Disorders describes hearing aids as devices that “help people hear more in both quiet and noisy situations” and that improve the ability to communicate and participate in daily activities. Many people who would benefit still do not have them.

Cost is a real barrier. Recent peer-reviewed and public-health reports show that traditional prescription hearing aids commonly cost in the low-thousands per device (averaging around \$1,500–\$1,700 per device in recent analyses), while even newer over-the-counter options still create financial burden for many. These costs are borne directly by consumers because coverage is inconsistent. Financial considerations remain a primary reason people delay or forgo hearing aids.

Insurance coverage often fails people who need help. Original Medicare does not cover routine hearing aids or fittings, and Medicaid coverage for adults varies by state; private insurance coverage is highly inconsistent and often limited. Disability advocates and research studies repeatedly find that many insured patients still cannot afford hearing aids because the benefit either does not exist or is insufficient. That leaves people — including many in Hawai'i — to pay out-of-pocket for essential devices. Exempting hearing aids from the GET would be a practical way to reduce that out-of-pocket burden.

There is precedent for treating medical devices differently for tax purposes. Several states and jurisdictions exempt prescription medical devices or hearing aids from sales taxes; exemptions for medically necessary devices are an accepted public-policy approach to improving access. A

Hawai'i GET exemption would bring Hawai'i in line with common practice that recognizes the difference between medical necessity and discretionary consumer purchases.

I also want to place this issue in the broader context of access and civil rights. In recent months and years, there have been troubling federal actions that have reduced timely, meaningful communication access for deaf people — for example, the removal of real-time American Sign Language interpreters from White House briefings and subsequent litigation and court orders requiring restoration of interpreters. These events have reinforced for many of us that access is fragile and must be actively protected by policy — not taken for granted. The loss of interpreters, and other federal rollbacks of guidance or protections, show why state action to protect access (including financial access to hearing aids) matters.

It is insulting and harmful when devices that are essential for equal participation are treated primarily as taxable retail items while wealthy interest groups continue to receive larger tax breaks. We see tax policy that favors the well-off, while people with day-to-day financial struggle — including many deaf Hawai'i residents — receive little help from insurance or government programs. A modest GET exemption for hearing aids would be a meaningful, practical step to correct that imbalance and help ensure we have the tools to communicate, work, and participate in our communities.

In closing: please support this bill to exempt hearing aids from the general excise tax. It is a targeted, compassionate measure grounded in public-health evidence and legal precedent. It will directly reduce cost barriers, increase access, and affirm Hawai'i's commitment to equal access and dignity for people with disabilities.

Mahalo for your time and consideration.

Maile Paongo