

Honolulu, Hawaii

FEB 08 2007

RE: S.B. No. 11
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Madam:

Your Committees on Health and Intergovernmental and Military Affairs, to which was referred S.B. No. 11 entitled:

"A BILL FOR AN ACT RELATING TO EXCISE TAX ON HEALTH CARE,"

beg leave to report as follows:

The purpose of this measure is to decrease the financial burden of health care costs on patients in the State.

Your Committees received testimony in support of this measure from Hawaii Medical Association, the Hawaii Society of Clinical Oncology, Healthcare Association of Hawaii, and ten individuals. The Hawaii Coalition of Care Home Administrators submitted testimony in support of the intent of this measure with recommendations. The Department of Taxation submitted testimony with comments on this measure.

Your Committees find that the costs of health care services are increasing, as are the number of uninsured individuals and their ability to pay for these services. Your Committees further find that health care services are necessities to living, not a luxury, and; therefore, should not be subject to taxation.

Your Committees intend to accomplish the purpose of this measure by exempting all medical services performed or provided by a licensed medical practitioner, hospital, medical facility, nursing home or facility, or rehabilitation facility from the county surcharge on the state general excise tax.



The Department of Taxation submitted a fiscal impact statement regarding this measure indicating that the revenues derived from the Honolulu County surcharge on the general excise tax will be lowered by approximately \$9 million for fiscal year 2008 and beyond. The department further stated that this measure will impact the general fund by a loss of approximately \$900,000, or ten per cent of the surcharge collected.

Your Committees amended this measure by making a technical, nonsubstantive amendment and changing the effective date for the purpose of encouraging further discussion.

As affirmed by the records of votes of the members of your Committees on Health and Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 11, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 11, S.D. 1, and be referred to the Committee on Economic Development and Taxation.

Respectfully submitted on
behalf of the members of the
Committees on Health and
Intergovernmental and Military
Affairs,



LORRAINE R. INOUE, Chair


DAVID Y. IGE, Chair



The Senate
 Twenty-Fourth Legislature
 State of Hawaii


Record of Votes
 Committee on Health
 HTH

Bill / Resolution No.:*	Committee Referral:	Date:
SB 11	HTH/IGM, EDT, WAM	1/31/07
<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	
IGE, David Y. (C)	✓	
FUKUNAGA, Carol (VC)	✓	
BAKER, Rosalyn H.	✓	
MENOR, Ron		✓
WHALEN, Paul	✓	
TOTAL	4	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature:		
		
Distribution: Original Yellow Pink File with Committee Report Clerk's Office Drafting Agency		

*Only one measure per Record of Votes

The Senate
 Twenty-Fourth Legislature
 State of Hawaii

Record of Votes
Committee on Intergovernmental and Military Affairs
IGM

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<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
INOUE, Lorraine R. (C)	/			
TSUTSUI, Shan S. (VC)	/			
HEMMINGS, Fred	/			
TOTAL				
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink		
File with Committee Report	Clerk's Office	Drafting Agency		

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