

STAND. COM. REP. NO.

1380

Honolulu, Hawaii

March 23, 2007

RE: S.B. No. 11
S.D. 3
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Sir:

Your Committee on Health, to which was referred S.B. No. 11, S.D. 3, entitled:

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

begs leave to report as follows:

The purpose of this bill is to stem the rising cost of health care by exempting physician services, hospital charges, and rehabilitation services from the county surcharge on excise tax.

The Department of Taxation, Mayor of the County of Hawaii, Healthcare Association of Hawaii, Hawaii Medical Association, Hawaii Chapter of the American College of Surgeons, Hawaii Society of Clinical Oncology, and several concerned individuals supported this bill. The Hawaii Long Term Care Association supported the intent of this measure. The Tax Foundation of Hawaii and several concerned individuals submitted comments.

Your Committee has amended this bill by:

- (1) Including nursing homes and facilities among the health care services exempt from the county surcharge on excise tax; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

SB11 HD1 HSCR HLT HMS 2007-3290



As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 11, S.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 11, S.D. 3, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Health,



JOSHUA B. GREEN, M.D., Chair



