



HAWAII

**Before the Senate Committees on  
Intergovernmental Affairs  
and  
Health**

Thursday February 9, 2006 at 2:45 pm  
Conference Room 225

**Re: SB 2694**  
Relating to Excise Tax on Health Care

**Testimony of Ronald I. Heller for NFIB Hawaii**

Chairs Ige and Baker, Vice Chairs Kim and Chun Oakland, and committee members:

Thank you for the opportunity to testify. On behalf of the thousands of business owners who make up the membership of NFIB Hawaii, I support SB 2694 but urge you to go further.

This bill would exempt medical care from the county surtax added on to the general excise tax. As you know, NFIB Hawaii was and is opposed to the surtax. We believe that there should not be any county surcharge added on to the general excise tax, whether it be on medical care, food, rent, or anything else.

We recognize that the goal of this particular bill is to protect those who may have difficulty paying for medical care, particularly neighbor island residents who have to obtain care on Oahu. However, those same individuals will have to pay more for food, rent, and other basic necessities if the surtax goes into effect.

Neighbor island residents will be affected in many ways, going far beyond the cost of medical care. Some of the other goods and services they buy are purchased on Oahu. Moreover, a substantial portion of the goods sold on neighbor islands pass through Oahu, and are affected by the cost of doing business on Oahu. If the surtax goes into effect, everybody will pay more for just about everything.

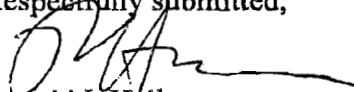
We believe that the best answer is to cancel the surtax, rather than trying to carve out specific exemptions.

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I would be happy to respond to any questions that you may have. Thank you for your attention to this matter.

Respectfully submitted,



Ronald I. Heller  
for NFIB Hawaii