

JAN 19 2024

A BILL FOR AN ACT

RELATING TO TAXATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 235, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§235- Rural physician tax credit. (a) There shall be
5 allowed to each individual taxpayer who is a qualified physician
6 and who is not claimed, or is not otherwise eligible to be
7 claimed, as a dependent by another taxpayer for federal or state
8 income tax purposes, a rural physician tax credit that shall be
9 deductible from the taxpayer's net income tax liability imposed
10 by this chapter for the taxable year in which the tax credit is
11 properly claimed.

12 (b) To qualify for the tax credit, the qualified physician
13 taxpayer shall be in compliance with all applicable federal,
14 state, and county statutes, rules, and regulations.

15 (c) The tax credit shall be \$; provided further
16 that the tax credit may be claimed only once per taxable year.



1 (d) If the tax credit under this section exceeds the
2 taxpayer's net income tax liability, the amount of the excess
3 tax credit may be claimed in subsequent years until exhausted.

4 (e) Every claim, including amended claims, for the tax
5 credit under this section shall be filed on or before the end of
6 the twelfth month following the close of the taxable year for
7 which the tax credit may be claimed. Failure to meet the filing
8 requirements of this subsection shall constitute a waiver of the
9 right to claim the tax credit.

10 (f) The director of taxation:

11 (1) Shall prepare forms as may be necessary to claim a tax
12 credit under this section;

13 (2) May require proof of the claim for the tax credit; and

14 (3) May adopt rules pursuant to chapter 91 to effectuate
15 the purposes of this section.

16 (g) As used in this section:

17 "Qualified physician" means a physician licensed under
18 chapter 453 who moves to, and establishes residence and actively
19 practices medicine in, a rural area of the State."

20 "Rural area" means an area designated by the department of
21 health that is in critical need of physicians."



1 SECTION 2. New statutory material is underscored.

2 SECTION 3. This Act, upon its approval, shall apply to
3 taxable years beginning after December 31, 2023.

4 INTRODUCED BY: Thant M. Reber 



S.B. NO. 2807

Report Title:

Taxation; Physicians Shortage; Rural Areas; Tax Credit

Description:

Establishes an annual tax credit for qualified physicians who actively practice medicine in rural areas of the state.

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