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# 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-       Health care provider tax credit. (a) There  
5       shall be allowed to each eligible health care provider subject  
6       to the tax imposed by this chapter, a health care provider tax  
7       credit that shall be deductible from the taxpayer's net income  
8       tax liability, if any, imposed by this chapter for the taxable  
9       year in which the credit is properly claimed.

10       (b) The amount of the credit shall be equal to \$10,000.

11       (c) The director of taxation:

12       (1) Shall prepare any forms that may be necessary to claim  
13       a tax credit under this section;

14       (2) May require the taxpayer to furnish reasonable  
15       information to ascertain the validity of the claim for  
16       the tax credit made under this section; and



1        (3) May adopt rules pursuant to chapter 91 necessary to  
2        effectuate the purposes of this section.

3        (d) The department of commerce and consumer affairs shall:

4        (1) Maintain records of the names, addresses, and license  
5        numbers of the eligible health care providers claiming  
6        the tax credit under this section; and

7        (2) Certify the license number and employment status of  
8        each eligible health care provider claiming the tax  
9        credit under this section.

10      Upon each determination, the department of commerce and consumer  
11      affairs shall issue a certificate to the eligible health care  
12      provider. The taxpayer shall file the certificate with the  
13      taxpayer's tax return with the department.

14      (e) If in any taxable year the annual amount of certified  
15      credits for all taxpayers reaches \$                      in the aggregate,  
16      the department of commerce and consumer affairs shall  
17      immediately discontinue certifying credits and notify the  
18      department of taxation. In no instance shall the department of  
19      commerce and consumer affairs certify a total amount of credits  
20      exceeding \$                      per taxable year. To comply with this  
21      restriction, the department of commerce and consumer affairs



1 shall certify or deny credits in the order submitted for  
2 certification.

3 (f) If the tax credit under this section exceeds the  
4 taxpayer's income tax liability, the excess of the credit over  
5 liability may be used as a credit against the taxpayer's income  
6 tax liability in subsequent years until exhausted. All claims  
7 for the tax credit under this section, including amended claims,  
8 shall be filed on or before the end of the twelfth month  
9 following the close of the taxable year for which the credits  
10 may be claimed. Failure to comply with the foregoing provision  
11 shall constitute a waiver of the right to claim the credit.

12 (g) For the purposes of this section:

13 "Eligible health care provider" means a qualified nurse or  
14 qualified physician.

15 "Qualified nurse" means an advanced practice registered  
16 nurse, registered nurse, or licensed practical nurse licensed  
17 pursuant to chapter 457 who is engaged in the active practice of  
18 nursing in the State.

19 "Qualified physician" means a physician or osteopathic  
20 physician licensed pursuant to chapter 453 who is engaged in the  
21 active practice of medicine in the State."



H.B. NO. 2437

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, 2022.

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INTRODUCED BY:

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JAN 26 2022



# H.B. NO. 2437

**Report Title:**

Income Tax Credit; Health Care Provider Tax Credit; Physicians;  
Osteopathic Physicians; Nurses

**Description:**

Establishes a \$10,000 income tax credit for physicians,  
osteopathic physicians, and nurses who are licensed and actively  
practicing in the State.

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not legislation or evidence of legislative intent.*

