
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) The credit allowed under this section shall be
13 available for taxable years beginning after December 31, 2022,
14 and shall not be available for taxable years beginning after
15 December 31, 2025.

16 (h) For the purposes of this section:

17 "Eligible health care provider" means a qualified nurse or
18 qualified physician.

19 "Qualified nurse" means an advanced practice registered
20 nurse, registered nurse, or licensed practical nurse licensed



1 pursuant to chapter 457 who is engaged in the active practice of
2 nursing in the State.

3 "Qualified physician" means a physician or osteopathic
4 physician licensed pursuant to chapter 453 who is engaged in the
5 active practice of medicine in the State."

6 SECTION 2. The Hawaii state center for nursing shall
7 submit a report on the effect and impact of the tax credit on
8 the State's health care provider workforce to the legislature no
9 later than December 31, 2024.

10 SECTION 3. New statutory material is underscored.

11 SECTION 4. This Act shall take effect on July 1, 2060, and
12 shall apply to taxable years beginning after December 31, 2022;
13 provided that it shall be repealed on December 31, 2025.

14



H.B. NO. 2437 H.D. 1

Report Title:

Income Tax Credit; Health Care Provider Tax Credit; Physicians;
Osteopathic Physicians; Nurses; Hawaii State Center for Nursing;
Report; Sunset

Description:

Establishes a \$10,000 income tax credit for physicians,
osteopathic physicians, and nurses who are licensed and actively
practicing in the State. Requires the Hawaii state center for
nursing to report to the legislature on impact and effect of the
tax credit by December 31, 2024. Sunsets December 31, 2025.
Effective 7/1/2060. (HD1)

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not legislation or evidence of legislative intent.*

