

JAN 21 2022

A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. The legislature finds that the State is
2 experiencing a historic blood shortage. Due to fears of the
3 coronavirus disease 2019 (COVID-19) pandemic, blood bank
4 donations decreased substantially in 2021.

5 The legislature further finds that the Blood Bank of Hawaii
6 is the sole provider of blood to the eighteen civilian hospitals
7 in the State and one on Guam. Regular inventory maintenance
8 requires one hundred and fifty donors every day. According to
9 the Blood Bank of Hawaii, it has been forced to undersupply the
10 State's hospitals, leaving them with between sixty and eighty
11 per cent of their normal blood supply. The legislature finds
12 that the blood supply shortage is a health crisis and poses a
13 significant risk to those who suffer medical emergencies that
14 require blood transfusions.

15 This purpose of this Act is to establish a blood drive tax
16 credit to promote employer-sponsored blood drives throughout the
17 State.



1 SECTION 2. 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- Tax credit for employer-hosted blood donation
5 drives. (a) For taxable years beginning after December 31,
6 2021, but before January 1, 2028, there shall be allowed to each
7 taxpayer subject to the tax imposed by this chapter, a credit
8 for each verified donation of blood made by the taxpayer's
9 employee as part of a blood donation drive. The credit shall be
10 deductible from the taxpayer's net income tax liability, if any,
11 imposed by this chapter for the taxable year in which the credit
12 is properly claimed.

13 (b) The amount of the credit determined under this section
14 for the taxable year shall be \$ for each verified
15 donation. The total amount of credits authorized by this
16 section shall be adjusted annually to limit the annual amount of
17 credits to \$. Each year, the department shall
18 calculate and publish a percentage by which the credits
19 authorized by this section shall be reduced so the total amount
20 of credits used to offset tax liability does not exceed
21 \$ per year. The formula to be used for the annual



1 percentage adjustment shall be \$ divided by the
2 credits claimed in the immediately preceding year.

3 (c) The credit allowed under this section shall be claimed
4 against net income tax liability for the taxable year. A tax
5 credit under this section that exceeds the taxpayer's income tax
6 liability may be used as a credit against the taxpayer's income
7 tax liability in subsequent years until exhausted.

8 (d) All claims for tax credits under this section,
9 including any amended claims, shall be filed on or before the
10 end of the twelfth month following the close of the taxable year
11 for which the credits may be claimed. Failure to comply with
12 the foregoing provision shall constitute a waiver of the right
13 to claim the credit.

14 (e) No deduction shall be allowed for that portion of the
15 wages or salaries paid or incurred for the taxable year that is
16 equal to the amount of the credit determined under this section.

17 (f) The director of taxation may adopt any rules under
18 chapter 91 and forms necessary to carry out this section.

19 (g) For purposes of this section:

20 "Blood donation" means the voluntary and uncompensated



1 donation of whole blood, or specific components of blood, by the
2 taxpayer's employee, drawn for use by a nonprofit blood bank
3 organization as part of a blood drive.

4 "Blood donation drive" means a function held on a specific
5 date and time, which is organized by a nonprofit blood bank
6 organization in coordination with an employer or group of
7 employers and is closed to nonemployees.

8 "Employee" means an individual employed by an employer
9 authorized to claim a credit pursuant to this section.

10 "Employer" means:

11 (1) The person for whom an individual performs or
12 performed any service, of whatever nature, as the
13 employee of that person;

14 (2) The person having control of the payment of the wages
15 if the employer as defined in paragraph (1) does not
16 have control thereof; and

17 (3) Any person subject to the jurisdiction of the State
18 and paying wages on behalf of an employer as defined
19 in paragraph (2) if the employer is not subject to the
20 jurisdiction of the State; provided that the term
21 "employer" shall not include any government that is



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1 not subject to the laws of the State except as, and to
2 the extent that, it consents to the application of
3 sections 235-61 to 235-67 to it.

4 "Nonprofit blood bank organization" means an entity that is
5 organized and operated in accordance with section 501(c)(3) of
6 the Internal Revenue Code of 1986, as amended, and for the
7 purpose of providing a safe and adequate blood supply, blood
8 products, and blood related transfusion services to patients in
9 the State.

10 "Verified donation" means a blood donation by an employee
11 made during a blood drive that is documented by an employer."

12 SECTION 3. New statutory material is underscored.

13 SECTION 4. This Act, upon its approval, shall apply to
14 taxable years beginning after December 31, 2021, but before
15 January 1, 2028.

16

INTRODUCED BY: 



S.B. NO. 2753

Report Title:

Blood Drive; Tax Credit

Description:

Establishes a tax credit for verified employee blood donations made at an employer sponsored blood drive. Applies to taxable years 2022-2027.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

