

STAND. COM. REP. NO. **2733**

Honolulu, Hawaii

**FEB 20 2024**

RE: S.B. No. 2959  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Second State Legislature  
Regular Session of 2024  
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2959 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to alleviate costs associated with medical care.

More specifically, this measure establishes an income tax credit for medically related travel expenses not covered by insurance.

Your Committee received testimony in support of this measure from one individual.

Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that residents must often pay for travel expenses out of their own pocket when seeking medical services that are not readily available within the State. Your Committee also finds that traveling to obtain medical treatment can significantly add to the already high cost of medical care. Providing an income tax credit for medically related travel expenses not covered by insurance will help alleviate this burden.

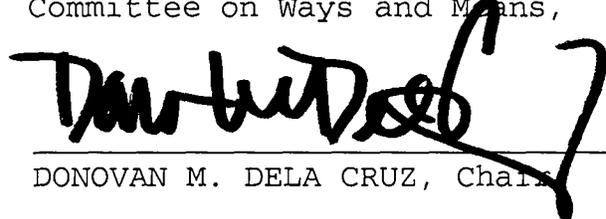


Your Committee has amended this measure by:

- (1) Adding definitions for the terms "dependent" and "medical care";
- (2) Clarifying that travel expenses may only be used to claim the tax credit if they are incurred primarily for, and essential to, medical care;
- (3) Changing the effective date to December 31, 2050, to facilitate further discussion on the measure; and
- (4) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2959, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2959, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,



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DONOVAN M. DELA CRUZ, Chair



