

JAN 25 2006

A BILL FOR AN ACT

RELATING TO INCOME TAX.

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

1 SECTION 1. Congress enacted the Organ Donation and
2 Recovery Improvement Act which signed into law on April 5, 2004.
3 The legislation established a federal grant program to provide
4 assistance to living donors with travel and subsistence expenses
5 and incidental non-medical expenses incurred by individuals
6 toward making living organ donations. Some states have adopted
7 a similar approach by creating a state income tax deduction in
8 lieu of a grant program. Other states that are considering
9 similar legislation include California, Connecticut, Florida,
10 Illinois, Indiana, Louisiana, Maryland, Michigan, Missouri, New
11 Jersey, New York, North Carolina, Ohio, Oregon, South Carolina,
12 Texas, Vermont, and Washington.

13 The purpose of this Act is to establish an income tax
14 deduction for organ donation.

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



1 "§235- Deduction for organ donation. (a) There shall
2 be a deduction available from the state adjusted gross income
3 for a taxpayer who, while living, donates one or more of the
4 taxpayer's human organs to another person as part of an organ
5 transplantation. The amount of the deduction shall be not more
6 than \$10,000, to be taken in the taxable year in which the
7 donation is made, for the travel expenses, lodging expenses, and
8 lost wages. The taxpayer shall be entitled to one deduction
9 under this section in a lifetime.

10 (b) For purposes of this section, "human organ" means all
11 or part of a liver, pancreas, kidney, intestine, lung, or bone
12 marrow.

13 (c) The deduction shall be claimed upon forms provided by
14 the department of taxation."

15 SECTION 3. New statutory material is underscored.

16 SECTION 4. This Act, upon its approval, shall apply to
17 taxable years beginning after December 31, 2005.

18

INTRODUCED BY: _____



SB. NO. 2111

Report Title:

Tax Deduction; Organ Donation

Description:

Creates an income tax deduction for donation of human organs for transplantation.

