
A BILL FOR AN ACT

RELATING TO MEDICAL LIABILITY TAX CREDITS.

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- Medical malpractice insurance premium tax credit.

5 (a) There shall be allowed to each individual taxpayer who is
6 not claimed, or is not otherwise eligible to be claimed, as a
7 dependent by another taxpayer for federal or state income tax
8 purposes, a medical malpractice insurance premium tax credit
9 that shall be deductible from the eligible taxpayer's net income
10 tax liability imposed by this chapter for the taxable year in
11 which the tax credit is properly claimed.

12 (b) The tax credit shall be equal to one hundred per cent
13 of the cost of medical malpractice insurance premiums and moving
14 expenses paid by a physician licensed under chapter 453 or 460
15 who relocates the physician's principal place of business of
16 practicing medicine to a rural area for at least a full taxable
17 year.



1 For the purposes of this section, "rural area" means any
2 county with a population fewer than five hundred thousand
3 persons.

4 (c) The tax credit under this section may be claimed for
5 not more than five years.

6 (d) To qualify for the tax credit, the taxpayer shall be a
7 full-time resident of the State who is in compliance with all
8 applicable federal, state, and county statutes, rules, and
9 regulations.

10 (e) If the tax credit under this section exceeds the
11 taxpayer's net income tax liability, the amount of the excess
12 tax credit shall be paid to the eligible taxpayer; provided that
13 no refund or payment on account of the tax credit allowed by
14 this section shall be made for amounts less than \$1.

15 (f) Every claim, including amended claims, for the tax
16 credit under this section shall be filed on or before the end of
17 the twelfth month following the close of the taxable year for
18 which the tax credit may be claimed. Failure to meet the filing
19 requirements of this subsection shall constitute a waiver of the
20 right to claim the tax credit.

21 (g) The director of taxation:



- 1 (1) Shall prepare forms as may be necessary to claim a tax
- 2 credit under this section;
- 3 (2) May require proof of the claim for the tax credit; and
- 4 (3) May adopt rules pursuant to chapter 91 to effectuate
- 5 the purposes of this section."

6 SECTION 2. New statutory material is underscored.

7 SECTION 3. This Act shall take effect upon its approval

8 and shall apply to taxable years beginning after December 31,

9 2007.

10

INTRODUCED BY: Tony Watkins

JAN 21 2008



Report Title:

Tax Credit; Medical Malpractice; Insurance

Description:

Provides a tax credit equal to an unspecified percentage of medical malpractice premium costs incurred by a physician who relocates to a rural area.

