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# A BILL FOR AN ACT

RELATING TO HEALTH.

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

12 (b) To qualify for the tax credit, the taxpayer shall be a  
13 full-time resident of the State with an adjustable gross income  
14 of less than \$50,000, or less than \$100,000 in the case of a  
15 joint return, who has donated one or more of the taxpayer's  
16 human organs for the purpose of an organ transplant during the  
17 taxable year; provided that this section shall not apply to  
18 organs sold for monetary or other consideration.



1        (c) A taxpayer may claim the tax credit only once per  
2 lifetime for the following unreimbursed related expenses  
3 incurred by the taxpayer:

4        (1) Travel expenses;

5        (2) Lodging expenses; and

6        (3) A lost wages stipend of one hundred dollars or less  
7 per day; provided that the lost wages are actual and  
8 not reimbursable or due to leave without pay.

9 For purposes of determining the credit amount, a cost is  
10 considered reimbursed, and therefore disqualified from the  
11 credit determination, to the extent the same cost was or will be  
12 paid with insurance proceeds.

13        (d) The tax credit shall not exceed:

14        (1) \$ \_\_\_\_\_ per taxpayer per year; and

15        (2) \$ \_\_\_\_\_ for all taxpayers per year.

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

21        (f) Every claim, including amended claims, for the tax  
22 credit under this section shall be filed on or before the end of



1 the twelfth month following the close of the taxable year for  
2 which the tax credit may be claimed. Failure to meet the filing  
3 requirements of this subsection shall constitute a waiver of the  
4 right to claim the tax credit.

5 (g) The director of taxation:

6 (1) Shall prepare forms as may be necessary to claim a tax  
7 credit under this section;

8 (2) May require proof of the claim for the tax credit;

9 (3) Shall make the allocation of tax credits under this  
10 section to qualified taxpayers on a first-to-file,  
11 first-served basis; and

12 (4) May adopt rules pursuant to chapter 91 to effectuate  
13 the purposes of this section.

14 (h) If a taxpayer claims any other tax credit or deduction  
15 under title 14, including a deduction under sections 162 or 213  
16 of the Internal Revenue Code, to which Hawaii law conforms, for  
17 any expenses incurred relating to the organ donation, no tax  
18 credit shall be claimed under this section for the same costs.

19 (i) For the purposes of this section:

20 "Full-time resident of the State" means an individual who  
21 has resided in the State for twelve months of the taxable year  
22 in which the tax credit under this section is claimed.



1        "Human organ" or "organ" means all or part of a human  
2 liver, pancreas, kidney, intestine, or lung and also includes  
3 bone marrow."

4        SECTION 2. New statutory material is underscored.

5        SECTION 3. This Act shall:

- 6        (1) Take effect on July 1, 2020;
- 7        (2) Apply to taxable years beginning after December 31,
- 8                2007, and ending before January 1, 2013; and
- 9        (3) Be repealed on June 30, 2014.



**Report Title:**

Tax Credit; Organ Donation

**Description:**

Provides a tax credit for expenses related to an organ donation.  
(SD1)

