

JAN 18 2008

A BILL FOR AN ACT

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

12 (b) The amount of the tax credit shall be equal to fifty
13 per cent of the cost of medical malpractice insurance premiums
14 paid by the eligible taxpayer in the previous taxable year.

15 (c) For the purposes of this section:

16 "Eligible taxpayer" means a physician licensed to practice
17 medicine under chapter 453 or 460:



1 (1) Who either establishes a full-time practice on, or
2 moves the physician's full-time practice from the
3 mainland or Oahu to, a neighbor island and practices
4 for one full taxable year; and

5 (2) Who is in compliance with all applicable federal,
6 state, and county statutes, rules, and regulations.

7 "Neighbor island" means the island of Hawaii, Kauai, Lanai,
8 Maui, Molokai, or Niihau.

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

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

20 (f) The director of taxation:

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

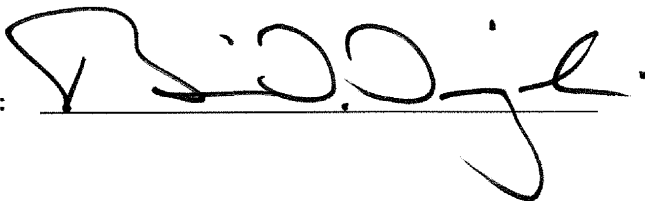


- 1 (2) May require proof of the claim for the tax credit; and
- 2 (3) May adopt rules pursuant to chapter 91 to effectuate
- 3 the purposes of this section."

4 SECTION 2. New statutory material is underscored.

5 SECTION 3. This Act shall take effect upon its approval
6 and apply to taxable years beginning after December 31, 2007.

7

INTRODUCED BY: 



Report Title:

Tax Credit; Physicians

Description:

Provides a refundable physician's relocation tax credit equal to 50% of the physician's medical malpractice premium costs.

