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# 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 recruitment 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 recruitment 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       per  
13 cent of the cost of recruiting or establishing a full-time  
14 medical practice on a neighbor island for a physician licensed  
15 to practice medicine under chapter 453 or 460; provided that the  
16 physician shall physically reside on the island where the full-  
17 time practice is located. For the purposes of this section,



1 "neighbor island" means the island of Hawaii, Kauai, Lanai,  
2 Maui, Molokai, or Niihau.

3 (c) An eligible taxpayer and any physician subject to this  
4 section shall be in compliance with all applicable federal,  
5 state, and county statutes, rules, and regulations.

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

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

17 (f) The director of taxation:

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

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

21 (3) May adopt rules pursuant to chapter 91 to effectuate  
22 the purposes of this section."

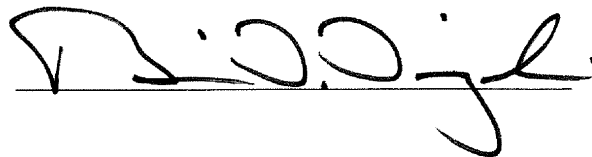


1 SECTION 2. New statutory material is underscored.

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

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INTRODUCED BY:

A handwritten signature in black ink, appearing to read "R. D. O'Neil", is written over a horizontal line.



**Report Title:**

Tax Credit; Physicians

**Description:**

Provides a refundable physician's recruitment tax credit for companies that recruit physicians to practice medicine on the neighbor islands.

