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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 deduction. (a) There shall  
5 be allowed as a deduction from adjusted gross income the amount,  
6 not to exceed \$10,000, for amounts paid or accrued thereon,  
7 during the taxable year the organ donation occurred, or as  
8 otherwise provided by rules adopted under subsection (e), by an  
9 individual taxpayer for expenditures incurred related to  
10 donating organs.

11           (b) To qualify for the deduction, the organ donor must be  
12 living, a full-time resident of the State, and have donated one  
13 or more of the donor's organs to another human being for organ  
14 transplantation.

15           (c) The deduction claimed under this section shall be  
16 claimed for the taxable year in which the organ donation occurs,  
17 or as otherwise provided by rules adopted under subsection (e).



1       (d) An individual may claim the deduction under this  
2 section once, except as provided in subsection (e) and the  
3 deduction may be claimed for only the following unreimbursed  
4 expenses incurred by the claimant and related to the claimant's  
5 organ donation:

6       (1) Travel expenses;

7       (2) Lodging expenses; and

8       (3) Lost wages; or if self-employed, lost income.

9       (e) The department of taxation shall adopt rules in  
10 accordance with chapter 91 to address lost wages, transportation  
11 expenses, and lodging expenses that occurred in the taxable year  
12 of the organ donation; and in the taxable year following the  
13 organ donation if those expenses are a direct result of the  
14 organ donation.

15       (f) The director of taxation shall prepare forms that may  
16 be necessary to claim a tax deduction under this section, may  
17 require proof of the claim for the tax deduction, and may adopt  
18 rules pursuant to chapter 91.

19       (g) For the purposes of this section, "organ" means all or  
20 part of a liver, pancreas, kidney, intestine, lung, or bone  
21 marrow."

22       SECTION 2. New statutory material is underscored.



1 SECTION 3. This Act shall take effect upon its approval  
2 and shall apply to taxable years beginning after December 31,  
3 2006.



**Report Title:**

Organ Donation; Tax Deduction

**Description:**

Provides a tax deduction for individuals who donate organs.  
(SD1)

