

STAND. COM. REP. NO. 657

Honolulu, Hawaii

Feb 16, 2007

RE: H.B. No. 232

H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Sir:

Your Committee on Health, to which was referred H.B. No. 232
entitled:

"A BILL FOR AN ACT RELATING TO QUALIFYING MEDICAL INFORMATION
TECHNOLOGY,"

begs leave to report as follows:

The purpose of this bill is to encourage the use of medical
information technology by physicians to increase the efficiency of
the delivery services and lower administrative costs by providing,
in the form of an income tax credit, a limited rebate of the
general excise tax on physician services to those physicians who
invest in this technology.

The Department of Taxation opposed this bill.

Your Committee has amended this bill by:

- (1) Clarifying that this is a nonrefundable tax credit;
- (2) Allowing the credit to be carried forward against future
tax liability until exhausted;
- (3) Clarifying that the credit is allowed for the general
excise tax imposed on expenditures up to \$20,000; and
- (4) Applying the credit to qualifying costs incurred on or
after January 1, 2008.

HB232 HD1 HSCR HLT HMS 2007-2075



As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 232, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 232, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Health,



JOSHUA B. GREEN, M.D., Chair



