

Honolulu, Hawaii

Feb 4 5, 2008

RE: H.B. No. 2413  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fourth State Legislature  
Regular Session of 2008  
State of Hawaii

Sir:

Your Committee on Health, to which was referred H.B. No. 2413  
entitled:

"A BILL FOR AN ACT RELATING TO INCOME TAXATION,"

begs leave to report as follows:

The purpose of this bill is to address the serious crisis in  
the provision of medical services to the poor and uninsured in  
medically underserved areas of the state by creating an income tax  
credit equal to 50 per cent of a physician's medical malpractice  
insurance rates for physicians who start a new practice in  
medically underserved areas of the state and five percent for  
physicians currently serving in these areas.

The Department of Commerce and Consumer Affairs, Healthcare  
Association of Hawaii, Hawaii Pacific Health, and several  
residents of the University of Hawaii's Department of Psychiatry  
Residency Training Program supported this bill. The Hawaii  
Medical Association and Consumer Lawyers of Hawaii supported the  
intent of this measure. The Department of Taxation, Board of  
Medical Examiners, and Tax Foundation of Hawaii submitted  
comments.

Your Committee has amended this bill by lowering the  
requirement that the taxpayer derive 50 percent of total income  
from Medicaid and QUEST reimbursements to 20 percent to be  
eligible for the tax credit.



Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

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. 2413, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2413, H.D. 1, and be referred to the Committee on Finance.

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

*Josh Green M.D.*

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JOSHUA B. GREEN, M.D., Chair



State of Hawaii  
House of Representatives  
The Twenty-fourth Legislature

**HSOP 150**

**Record of Votes of the Committee on Health**

<b>Bill/Resolution No.:</b> HB 2413	<b>Committee Referral:</b> HLT, FIN	<b>Date:</b> 1-30-08		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
<b>The recommendation is to:</b> <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
HLT Members	Ayes	Ayes (WR)	Nays	<del>Excused</del>
1. GREEN, Josh, M.D. (C)	✓			
2. MIZUNO, John (VC)	✓			
3. AWANA, Karen Leinani	✓			
4. BELATTI, Della Au	✓			
5. BERTRAM, Joe, III	✓			
6. CABANILLA, Rida T.R.				✓
7. RHOADS, Karl	✓			
8. SHIMABUKURO, Maile S. L.	✓			
9. TOKIOKA, James Kunane	✓			
10. WARD, Gene, Ph.D.	✓			
<b>TOTAL (10)</b>	9			1
<b>The recommendation is:</b> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
If joint referral, _____ did not support recommendation. committee acronym(s)				
<b>Vice Chair's or designee's signature:</b>				
<b>Distribution:</b> Original (White) – Committee    Duplicate (Yellow) – Chief Clerk's Office				