

STAND. COM. REP. NO.

1305

Honolulu, Hawaii

March 20, 2007

RE: S.B. No. 967
S.D. 2
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 S.B. No. 967,
S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO HEALTH,"

begs leave to report as follows:

The purpose of this bill is to provide monetary relief to organ donors by providing tax deductions to living organ and tissue donors. Specifically, this bill allows a deduction of up to \$10,000 from adjusted gross income for expenditures related to donating organs.

The National Kidney Foundation of Hawaii and a concerned individual testified in support of this bill. The Department of Taxation and the Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by allowing the taxpayer to claim the deduction for the taxable years in which the unreimbursed claim was incurred, instead of the taxable year in which the organ donation occurred, to prevent an organ donor from losing expenses due to the timing of the donation, and to take into consideration medical costs for follow-up procedures.

SB967 HD1 HSCR HLT HMS 2007-3073

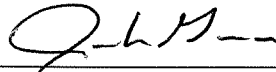


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According to the National Kidney Foundation of Hawaii, the estimated annual tax revenue loss as a result of this tax deduction is \$10,000. Your Committee finds that this is a small annual cost for the State to pay to encourage taxpayers to donate organs to give an increasing number of patients a second chance at life.

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 S.B. No. 967, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 967, S.D. 2, 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



