

---

---

# 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-     Medical technology research tax credit.     (a)

5     There shall be allowed to each individual or corporate taxpayer  
6     who is not claimed or is not otherwise eligible to be claimed as  
7     a dependent by another taxpayer for federal or state income tax  
8     purposes, a medical technology research tax credit that shall be  
9     deductible from the taxpayer's net income tax liability imposed  
10    by this chapter for the taxable year in which the tax credit is  
11    properly claimed.

12           (b) To qualify for the tax credit, the taxpayer shall be  
13    in compliance with all applicable federal, state, and county  
14    statutes, rules, and regulations.

15           (c) The tax credit shall be equal to ten per cent of the  
16    costs related to conducting medical technology research provided  
17    the costs are over \$2,500,000.



1       (d) If the tax credit under this section exceeds the  
2 taxpayer's net income tax liability, the amount of the excess  
3 tax credit shall be paid to the eligible taxpayer; provided that  
4 no refund or payment on account of the tax credit allowed by  
5 this section shall be made for amounts less than \$25,000.

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

12       (f) No taxpayer shall claim a credit under this section  
13 for costs for which any other credit is claimed under this  
14 chapter.

15       (g) The director of taxation:

16       (1) Shall prepare forms as may be necessary to claim the  
17 tax credit under this section;

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

19       (3) May adopt rules pursuant to chapter 91 to effectuate  
20 the purposes of this section.

21       (h) For the purposes of this section, "medical technology  
22 research" means research conducted to benefit children and the



1 elderly with respect to acute health problems, health care in  
2 rural areas of the state, and disease prevention."

3 SECTION 2. New statutory material is underscored.

4 SECTION 3. This Act shall take effect on July 1, 2112, and  
5 shall apply to taxable years beginning after December 31, 2008;  
6 provided that this Act shall be repealed on December 31, 2013.



**Report Title:**

Tax Credit; Medical Technology

**Description:**

Provides a tax credit for costs related to conducting medical technology research. (HB699 HD1)

