
A BILL FOR AN ACT

RELATING TO TAXATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 235-9, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "**§235-9 Exemptions; generally.** (a) Except as provided in
4 sections 235-61 to 235-67 relating to withholding and collection
5 of tax at source, and section 235-2.4 relating to "unrelated
6 business taxable income", the following persons and
7 organizations shall not be taxable under this chapter: banks,
8 building and loan associations, financial services loan
9 companies, financial corporations, small business investment
10 companies, trust companies, mortgage loan companies, financial
11 holding companies, subsidiaries of financial holding companies
12 as defined in chapter 241, and development companies taxable
13 under chapter 241; insurance companies, agricultural cooperative
14 associations, and fish marketing associations exclusively
15 taxable under other laws; and persons engaged in the business of
16 motion picture and television film production as defined by the
17 director of taxation.



1 (b) Except as provided in sections 235-61 to 235-67
2 relating to withholding and collection of tax at source, and
3 section 235-2.4 relating to "unrelated business taxable income",
4 a qualifying physician shall be exempt from taxation under this
5 chapter as follows:

6 (1) A qualifying physician who practices medicine in a
7 county with a population of over seven hundred
8 thousand shall be eligible for the exemption for a
9 period of five years commencing from the date the
10 qualifying physician was initially licensed under
11 chapter 453; and

12 (2) A qualifying physician who practices medicine in a
13 county with a population of seven hundred thousand or
14 less shall be eligible for the exemption for a period
15 of ten years commencing from the date the qualifying
16 physician was initially licensed under chapter 453.

17 The director of taxation shall prepare forms that may be
18 necessary to claim an exemption under this subsection. The
19 director may also require the qualifying physician to furnish
20 information to ascertain the validity of the claim for an
21 exemption made under this subsection, and may adopt rules



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1 necessary to effectuate the purposes of this subsection pursuant
2 to chapter 91.

3 (c) Upon the expiration of the time periods established
4 under subsection (b)(1) and (2), as applicable, the physician
5 shall be subject to taxation under this chapter.

6 (d) As used in this section, "qualifying physician" means
7 a physician or osteopathic physician who:

8 (1) Is licensed under chapter 453;

9 (2) Relocates to and practices medicine in the State; and

10 (3) Prior to relocation, had not practiced medicine in the
11 State."

12 SECTION 2. New statutory material is underscored.

13 SECTION 3. This Act, upon its approval, shall apply to
14 taxable years beginning after December 31, 2014.

15

INTRODUCED BY:



By Request

JAN 27 2015



H.B. NO. 1073

Report Title:

Income Tax; Physicians and Osteopathic Physicians; Relocation
Tax Credit

Description:

Establishes a temporary income tax exemption for physicians and
osteopathic physicians who relocate and practice in Hawaii.

*The summary description of legislation appearing on this page is for informational purposes only and is
not legislation or evidence of legislative intent.*

