

Honolulu, Hawaii  
February 9, 2018

RE: H.B. No. 1967  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Twenty-Ninth State Legislature  
Regular Session of 2018  
State of Hawaii

Sir:

Your Committee on Health & Human Services, to which was referred H.B. No. 1967 entitled:

"A BILL FOR AN ACT RELATING TO HEALTHCARE PRECEPTOR TAX CREDITS,"

begs leave to report as follows:

The purpose of this measure is to address the limited availability of clinical preceptors and training sites by establishing a healthcare preceptor tax credit as an incentive to preceptors to offer professional instruction, training, and supervision to students and residents seeking careers as healthcare providers in Hawaii.

Additionally, this measure establishes the Healthcare Preceptor Tax Credit Working Group within the Department of Health, to be convened by the University of Hawaii Hawaii/Pacific Basin Area Health Education Center and the State Center for Nursing to create a plan to address healthcare preceptor shortages in the State and develop and implement a plan for allocating and distributing the healthcare preceptor tax credits.

The University of Hawaii John A. Burns School of Medicine; Kapiolani Community College; School of Nursing and Dental Hygiene; and Daniel K. Inouye College of Pharmacy; Hawaii State Center for Nursing; Waianae Coast Comprehensive Health Center; Hawaii Pacific



Health; Straub Medical Center; American Physical Therapy Association Hawaii Chapter; Hawaii/Pacific Basin Area Health Education Center; Hawaii Medical Association; and several concerned individuals testified in support of this measure. The Department of Health; Department of Taxation; Hawaii Medical Board; Board of Pharmacy; Tax Foundation of Hawaii; and Hawaii Primary Care Association submitted comments.

You Committee has amended this measure to:

- (1) Remove the provision that the Director of Taxation adopt rules relating to administrative procedures, pursuant to Chapter 91 of the Hawaii Revised Statutes, for the purposes of effectuating this measure;
- (2) Amend the definition of "medical student" to include graduates of medical school who are continuing their training to obtain their medical license or specialty certification;
- (3) Allow the Director of Taxation to require taxpayers to furnish the certificate issued by the Healthcare Preceptor Tax Credit Working Group ("working group") in addition to other information, to ascertain the validity of the taxpayer's claim for the tax credit;
- (4) Add the fields of social work and physical therapy for which a preceptor that is providing professional instruction, training, and supervision, is eligible for the healthcare preceptor tax credit;
- (5) Include definitions of "social worker student" and "physical therapist assistant student";
- (6) Add members from the fields of psychology and social work to the working group;
- (7) Make technical nonsubstantive amendments for the purposes of style, consistency, and clarity; and
- (8) Change the effective date to July 1, 3000.

While not further amending this measure, your Committee notes that Waianae Coast Comprehensive Health Center supported the



measure and proposed amendment of the definition of "academic program" so as to not exclude institutions with principal accreditation outside of the State.

As affirmed by the record of votes of the members of your Committee on Health & Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1967, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1967, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on  
behalf of the members of the  
Committee on Health & Human  
Services,

  
JOHN M. MIZUNO, Chair



