

STAND. COM. REP. NO.

**2898**

Honolulu, Hawaii

**MAR 02 2018**

RE: S.B. No. 2298  
S.D. 2

Honorable Ronald D. Kouchi  
President of the Senate  
Twenty-Ninth State Legislature  
Regular Session of 2018  
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2298, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to increase the capacity to provide education to healthcare providers in the State.

More specifically, this measure establishes an income tax credit that encourages preceptors to offer professional instruction, training, and supervision to students and residents seeking careers as primary care physicians and advanced practice registered nurses throughout Hawaii.

Your Committee received written comments in support of this measure from the Mayor of the County of Hawaii; University of Hawaii System; University of Hawaii at Hilo Daniel K. Inouye College of Pharmacy; Hawaii State Center for Nursing; Hawaii Chapter of the American Physical Therapy Association; Hawaii Government Employees Association; Hawaii Medical Association; Hawaii Pacific Health; Hawaii Pharmacists Association; Hawaii Primary Care Association; OCC Legislative Priorities Committee, Democratic Party of Hawaii; Pharmacare Hawaii; Straub Medical



Center; Waianae Coast Comprehensive Health Center; and seventy-three individuals.

Your Committee received written comments in opposition to this measure from one individual.

Your Committee received written comments on this measure from the Department of Taxation; Tax Foundation of Hawaii; and two individuals.

Your Committee finds that the shortage of primary care providers in the State will be worsened by the projected retirements of current physicians and advanced practice registered nurses. Your Committee further finds that, although Hawaii high school students and residents are interested in pursuing careers in the healthcare service industry, in-state educational institutions are constrained by the lack of clinical education sites in Hawaii and the limited supply of qualified primary and specialty care preceptors.

Your Committee has amended this measure by:

- (1) Making pharmacists eligible to receive the tax credit;
- (2) Requiring the preceptor credit assurance committee established in the measure to certify the amount of the tax credit;
- (3) Clarifying the duties of the preceptor credit assurance committee;
- (4) Requiring taxpayers claiming the tax credit to file a certificate from the preceptor credit assurance committee with their tax returns;
- (5) Clarifying the order in which the preceptor credit assurance committee will certify credits; and
- (6) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your



Committee is in accord with the intent and purpose of S.B. No. 2298, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2298, S.D. 2.

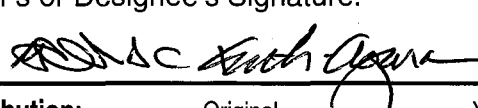
Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

  
DONOVAN M. DELA CRUZ, Chair



The Senate  
 Twenty-Ninth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:* <b>SB 2298, SD 1</b>	Committee Referral: <b>CPH, WAM</b>	Date: <b>2/20/18</b>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
ENGLISH, J. Kalani	X			
GALUTERIA, Brickwood	X			
HARIMOTO, Breene	X			
INOUYE, Lorraine R.	X			
KAHELE, Kaiali'i	X			
KIDANI, Michelle N.	X			
RIVIERE, Gil	X			
SHIMABUKURO, Maile S.L.	X			
WAKAI, Glenn	X			
<b>TOTAL</b>	<b>11</b>			
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

\*Only one measure per Record of Votes