Honolulu, Hawaii

FEB 17 , 2022

RE: H.B. No. 2437

H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-First State Legislature Regular Session of 2022 State of Hawaii

Sir:

Your Committee on Health, Human Services, & Homelessness, to which was referred H.B. No. 2437 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to establish an income tax credit for physicians, osteopathic physicians, and nurses who are licensed and actively practicing in the State.

Your Committee received testimony in support of this measure from the Hawai'i - American Nurses Association, Hawaii Nurses Association - OPEIU Local 50, and two individuals. Your Committee received comments on this measure from the Department of Taxation, Department of Budget and Finance, Hawai'i State Center for Nursing, and Tax Foundation of Hawaii.

Your Committee finds that in Hawaii, health care professionals are in high demand yet low supply, particularly on the neighbor islands and in rural and medically underserved areas. Income tax credits, such as the one proposed by this measure, are a potential solution to improving recruitment and retention of these professionals and may encourage individuals considering leaving the State to stay.

Your Committee has amended this measure by:

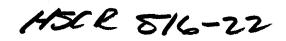
- (1) Requiring the Hawaii State Center for Nursing to provide a report to the Legislature on the impact and effectiveness of the tax credit on the health care provider workforce no later than December 31, 2024;
- (2) Inserting a sunset date of December 31, 2025;
- (3) Changing the effective date to July 1, 2060, to encourage further discussion; and
- (4) 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 Health, Human Services, & Homelessness that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2437, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.B. No. 2437, H.D. 1.

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

YAMANE, Chair

## State of Hawaii House of Representatives The Thirty-first Legislature



## Record of Votes of the Committee on Health, Human Services, & Homelessness

Bill/Resolution No.:	Committee			ate:		
HB 2437	ECD	) , HHH, <sup>1</sup>	FIN	52/15/2023		
The committee is reconsidering its previous decision on the measure.						
The recommendation is to:  Pass, unamended (as is)  Pass, with amendments (HD)  Hold  Pass short form bill with HD to recommit for future public hearing (recommit)						
HHH Members		Ayes	Ayes (WR)	Nays	Excused	
1. YAMANE, Ryan I. (C)						
2. TAM, Adrian K. (VC)		<b>/</b>				
				ing the second s		
3. GATES, Cedric Asuega		J				
4. HAR, Sharon E.		J				
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5. KAPELA, Jeanne		J				
6. NISHIMOTO, Scott Y.		V		. *************************************		
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7. WARD, Gene					<b>/</b>	
TOTAL (7)		6			\	
	Adopted	☐ Not Adopte	-			
If joint referral, did not support recommendation. committee acronym(s)						
Vice Chair's or designee's signature:						
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO						
Zaparate (amay amana zaparate (amana zapar						