

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:

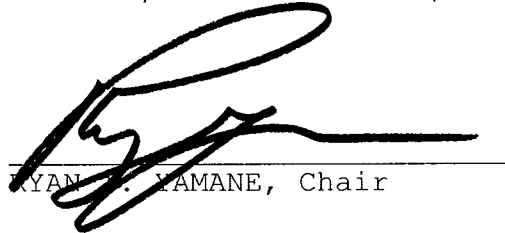
2022-1507 HB2437 HD1 HSCR HMSO



- (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,



RYAN M. YAMANE, Chair



