

STAND. COM. REP. NO. **3512**

Honolulu, Hawaii

APR - 7 2006

RE: H.B. No. 1033
H.D. 1
S.D. 2

Honorable Robert Bunda
President of the Senate
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 1033, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO INCOME TAX,"

begs leave to report as follows:

The purpose of this measure is to provide a tax credit to farmers who do not have access to a state irrigation system and who are forced to purchase water from a county at higher rates.

The amount of the tax credit would be equal to the difference between the amount paid by a farmer for water purchased from the county, and the amount that the farmer would have paid for water had the farmer had access to a state irrigation system.

Your Committee finds that state irrigation systems provide water to many farmers throughout the State. However, they do not provide water to all farmers, and as a result, many farmers are forced to purchase water at higher rates from the counties.

Your Committee has amended this measure by:

- (1) Inserting a maximum unspecified dollar amount that a taxpayer may claim in each taxable year under the tax credit;



- (2) Clarifying how the tax credit is to be computed and apportioned for taxpaying entities other than natural persons; and
- (3) Making technical nonsubstantive changes for style, clarity, and consistency.

Your Committee believes that establishing a tax credit for farmers who must purchase county water would provide equitable treatment to all farmers with regard to procuring access to water resources.

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 H.B. No. 1033, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1033, H.D. 1, S.D. 2.

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




BRIAN T. TANIGUCHI, Chair



The Senate
Twenty-Third Legislature
State of Hawaii

Record of Votes of the
Committee on Ways and Means
(Bills and Resolutions)

Measure: HB 1033 HD1 SD1	Committee Referral: WLA/IGA, WAM	Date: 04/06/06		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is to: <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	Ayes	Ayes(WR)	Nays	Excused
TANIGUCHI, Brian T. (C)	/			
TSUTSUI, Shan S. (VC)	/			
ENGLISH, J. Kalani	/			
ESPERO, Will				/
FUKUNAGA, Carol				/
HOOSER, Gary L.	/			
INOUYE, Lorraine R.	/			
KANNO, Brian				/
KIM, Donna Mercado	/			
KOKUBUN, Russell S.	/			
NISHIHARA, Clarence K.	/			
SAKAMOTO, Norman	/			
HEMMINGS, Fred				/
SLOM, Sam			/	
TRIMBLE, Gordon		/		
TOTAL	9	1	1	4
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Do not list more than one measure per Record of Votes.