

STAND. COM. REP. NO. 885

Honolulu, Hawaii
March 4, 2011

RE: H.B. No. 1598
H.D. 2

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1598, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE CACAO INDUSTRY,"

begs leave to report as follows:

The purpose of this bill is to support the local cacao industry by:

- (1) Temporarily exempting from the general excise tax amounts received for the sale of cacao from a producer or processed cacao from a processor; and
- (2) Requiring the Department of Agriculture (DOA) to:
 - (A) Collaborate with the Department of Business, Economic Development, and Tourism and the Department of Land and Natural Resources to determine the best locations for a cacao-processing facility; and
 - (B) Report its findings and recommendations pertaining to the best locations for a cacao-processing facility to the Legislature at least 20 days prior to the convening of the Regular Session of 2012.



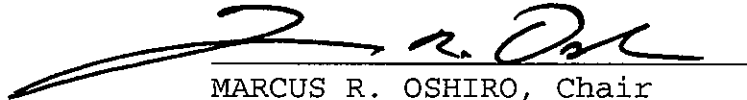
Several concerned individuals testified in support of this bill. DOA, Department of Taxation, and Tax Foundation of Hawaii provided comments.

Your Committed has amended this bill by:

- (1) Changing its effective date to July 1, 2030, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1598, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1598, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



MARCUS R. OSHIRO, Chair



