
A BILL FOR AN ACT

RELATING TO AGRICULTURE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

PART I

SECTION 1. (a) Not later than January 1, 2013, the department of education, in consultation with the department of business, economic development, and tourism, the department of agriculture, and members of the agricultural community, shall establish and administer an agricultural education pilot program for public school students on the island of Molokai, the island of Lanai, and the east district of the island of Maui. The pilot program shall:

- (1) Provide students with hands-on experience in cultivating agricultural products;
- (2) Educate students on the principles of entrepreneurship;
- (3) Sell the agricultural products cultivated by students in the pilot program to consumers, including consumers at farmers' markets and restaurants; and
- (4) Offer academic credit to students who participate in the pilot program.



1 (b) Revenues generated by the pilot project for the sale
2 of agricultural products shall be deposited into the
3 agricultural education pilot program special fund pursuant to
4 section 2 of this Act.

5 SECTION 2. (a) There is established in the state treasury
6 the agricultural education pilot program special fund to be
7 administered by the department of education.

8 (b) The following shall be deposited into the special
9 fund:

- 10 (1) Legislative appropriations to the special fund;
- 11 (2) Revenues generated by the agricultural education pilot
12 program pursuant to this Act;
- 13 (3) All interest earned or accrued on moneys deposited in
14 the special fund; and
- 15 (4) Any other moneys made available to the special fund.

16 (c) Moneys in the special fund shall be expended for
17 expenses incurred by the department of education in establishing
18 and administering the agricultural education pilot program.

19 SECTION 3. The department of education shall submit a
20 report to the legislature regarding the agricultural education
21 pilot program and make findings and recommendations, including
22 whether to continue the pilot program, not later than twenty



1 days prior to the convening of the regular session of 2017. The
2 report shall include any pertinent information, recommendations,
3 or proposed legislation, if any, to determine whether the
4 agricultural education pilot program should be extended to other
5 areas throughout the State.

6 PART II

7 SECTION 4. Chapter 235, Hawaii Revised Statutes, is
8 amended by adding a new section to be appropriately designated
9 and to read as follows:

10 "§235- Agricultural education tax credit. (a) There
11 shall be allowed for each qualified agricultural business
12 subject to the tax imposed by this chapter an income tax credit
13 for qualified agricultural education activities. The credit
14 shall be deductible from the taxpayer's net income tax
15 liability, if any, imposed by this chapter for the taxable year
16 in which the credit is properly claimed. The tax credit amount
17 shall be per cent of the qualified agricultural costs
18 incurred by the taxpayer after December 31, 2012.

19 (b) If the credit under this section exceeds the
20 taxpayer's net income tax liability for the taxable year, the
21 excess of the credit over liability shall be refunded to the
22 taxpayer; provided that no refunds or payments on account of the



1 credits allowed by this section shall be made for amounts less
2 than \$1.

3 All claims for a tax credit under this section, including
4 amended claims, shall be filed on or before the end of the
5 twelfth month following the close of the taxable year for which
6 the credit is claimed. Failure to comply with the foregoing
7 provision shall constitute a waiver of the right to claim the
8 credit.

9 (c) The director of taxation:

10 (1) Shall prepare any forms that may be necessary to claim
11 a credit under this section;

12 (2) May require the taxpayer to furnish information to
13 ascertain the validity of the claim for credit made
14 under this section; and

15 (3) May adopt rules pursuant to chapter 91 to effectuate
16 this section.

17 (d) The department of agriculture shall:

18 (1) Maintain records of the total amount of qualified
19 agricultural education costs for each taxpayer
20 claiming a credit;

21 (2) Verify the amount of the qualified agricultural
22 education costs claimed;



- 1 (3) Total all qualified agricultural education costs
- 2 claimed; and
- 3 (4) Certify the total amount of the tax credit for each
- 4 taxable year.

5 Upon each determination, the department of agriculture
6 shall issue a certificate to the taxpayer verifying the
7 qualifying agricultural education costs and the credit amount
8 certified for each taxable year.

9 The taxpayer shall file the certificate with the taxpayer's
10 tax return with the department of taxation. Notwithstanding the
11 department of agriculture's certification authority under this
12 section, the director of taxation may audit and adjust
13 certification to conform to the facts.

14 (e) As used in this section:

15 "Qualified agricultural business" means any person with a
16 commercial agricultural or aquacultural facility or operation
17 who allows the department of education to use the facility or
18 operation for the agricultural education pilot program
19 established by Act , Session Laws of Hawaii 2012.

20 "Qualified agricultural education costs" means
21 expenditures, costs, or losses that are attributable to the





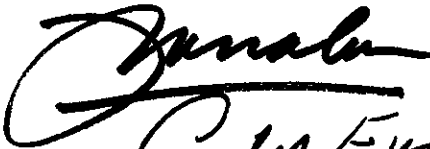

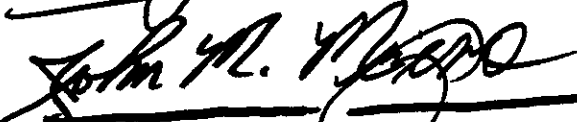
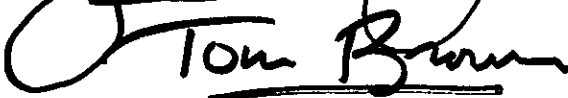

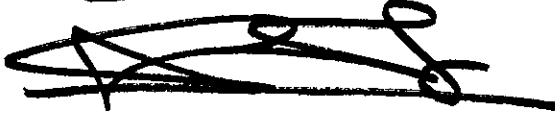

1 qualified agricultural business's participation in the
2 agricultural education pilot program."

3 PART III

4 SECTION 5. New statutory material is underscored.

5 SECTION 6. This Act shall take effect on July 1, 2012, and
6 shall apply to taxable years beginning after December 31, 2012;
7 provided that this Act shall be repealed on July 12, 2017.

8 INTRODUCED BY:

 





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JAN 25 2012



H.B. NO. 2877

Report Title:

DOE; Agricultural Education Pilot Program; Tax Credit

Description:

Requires DOE to establish an agricultural education pilot program. Establishes the agricultural education pilot program special fund. Provides a tax credit for businesses that assist the pilot program.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

