

STAND. COM. REP. NO. 943-12

Honolulu, Hawaii

March 2, 2012

RE: H.B. No. 2668
H.D. 2

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2668, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

begs leave to report as follows:

The purpose of this measure is to support the State's agricultural industry by:

- (1) Creating a livestock feed tax credit for the taxable year beginning after December 31, 2011, and ending before January 1, 2013;
- (2) Creating a livestock feed development tax credit for the taxable years beginning after December 31, 2012, and ending before January 1, 2015;
- (3) Allowing an additional 15 percent tax credit for drought mitigation to the important agricultural land qualified agricultural cost tax credit that will apply to taxable years beginning after December 31, 2011, and ending before January 1, 2021;



- (4) Changing the important agricultural land qualified agricultural cost tax credit cap from \$7,500,000 per year to \$5,000,000 per year for the taxable year beginning after December 31, 2011, and \$7,000,000 per year for the taxable years beginning after December 31, 2012, and ending before January 1, 2016; and
- (5) Repealing the requirement that the amount of qualified agricultural costs eligible to be claimed under the important agricultural land qualified agricultural cost tax credit be reduced by the amount of funds the taxpayer received during the taxable year from the irrigation repair and maintenance special fund.

The Land Use Research Foundation of Hawaii; the Hawaii Farm Bureau Federation; the Hawaii Cattlemen's Council, Inc.; Alexander & Baldwin, Inc.; and an individual supported this measure. The Department of Agriculture, the Department of Taxation, the Department of Land and Natural Resources, the Tax Foundation of Hawaii, and Hawaii Farmers Union United commented on this measure.


Your Committee has amended this measure by:

- (1) Clarifying that the important agricultural land qualified agricultural cost tax credit is based on the aggregate qualified agricultural costs incurred by the taxpayer; and
- (2) 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2668, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2668, H.D. 2.



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


MARCUS R. OSHIRO, Chair



State of Hawaii
House of Representatives
The Twenty-sixth Legislature

HSCR 943-12
3/1/12

Record of Votes of the Committee on Finance

Bill/Resolution No.: <i>HB 2668, HD1</i>	Committee Referral: <i>AGR, FIN</i>	Date: <i>3/1/12</i>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. OSHIRO, Marcus R. (C)	✓			
2. LEE, Marilyn B. (VC)	✓			
3. CHOY, Isaac W.	✓			
4. CULLEN, Ty	✓			
5. GIUGNI, Heather	✓			
6. HAR, Sharon E.	✓			
7. HASHEM, Mark J.	✓			
8. ICHIYAMA, Linda	✓			
9. JORDAN, Jo	✓			
10. KAWAKAMI, Derek S.K.	✓			
11. LEE, Chris	✓			
12. MORIKAWA, Dee	✓			
13. TOKIOKA, James Kunane	✓			
14. YAMASHITA, Kyle T.	✓			
15. MARUMOTO, Barbara C.	✓			
16. RIVIERE, Gil	✓			
17. WARD, Gene	✓			
TOTAL (17)	<i>17</i>	<i>0</i>	<i>0</i>	<i>0</i>
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: <i>Marilyn B. Lee</i>				
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