

STAND. COM. REP. NO.

28

Honolulu, Hawaii

Feb 3 , 2011

RE: H.B. No. 627

H.D. 1

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

Sir:

Your Committee on Agriculture, to which was referred H.B. No. 627 entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

begs leave to report as follows:

The purpose of this bill is to provide tax incentives for businesses engaged in agricultural processing that meet certain qualifications. Specifically, this bill establishes:

- (1) Eligibility requirements, including employment and gross sales requirements, for businesses to be designated as qualified agricultural processing facilities;
- (2) Certification procedures to ensure that eligibility requirements are met;
- (3) A schedule of tax credits for qualified agricultural processing facilities to be applied in an amount equal to a percentage of taxes due to the State, except the general excise tax; and
- (4) A schedule of tax credits for qualified agricultural processing facilities to be applied in an amount equal to a percentage of unemployment insurance taxes paid.



Two concerned individuals supported this bill. The Department of Agriculture and the Hawaii Farm Bureau Federation supported the intent of this measure. The Department of Taxation opposed this bill. The Land Use Research Foundation of Hawaii submitted comments.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 627, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 627, H.D. 1, and be referred to the Committee on Water, Land, & Ocean Resources.

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



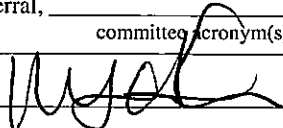
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CLIFT TSUJI, Chair



State of Hawaii  
House of Representatives  
The Twenty-sixth Legislature

Record of Votes of the Committee on Agriculture

Bill/Resolution No.: HB 627	Committee Referral: AGR, WLO, FIN	Date: 1/28/11		
<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)				
AGR Members	Ayes	Ayes (WR)	Nays	Excused
1. TSUJI, Clift (C)	✓			
2. HASHEM, Mark J. (VC)	✓			
3. AWANA, Karen L.	✓			
4. BROWER, Tom	✓			
5. CHOY, Isaac W.	✓			
6. EVANS, Cindy	✓			
7. McKELVEY, Angus L.K.	✓			
8. NISHIMOTO, Scott Y.	✓			
9. TOKIOKA, James Kunane	✓			
10. MARUMOTO, Barbara C.	✓			
11. RIVIERE, Gil	✓			
TOTAL (11)	11	0	0	0
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ committee acronym(s) did not support recommendation.				
Vice Chair's or designee's signature: 				
Distribution: Original (White) -- Committee Duplicate (Yellow) -- Chief Clerk's Office Duplicate (Pink) -- HMSO				