

MAR 12 2013

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# SENATE RESOLUTION

REQUESTING THE DEPARTMENT OF AGRICULTURE, WITH THE ASSISTANCE OF  
THE COMMISSION ON WATER RESOURCE MANAGEMENT, TO CONDUCT A  
STUDY REGARDING A PERMEABLE SURFACES TAX CREDIT.

1 WHEREAS, S.B. No. 1305, Regular Session of 2013, would have  
2 established a permeable surfaces tax income tax credit for  
3 taxpayers who maintain permeable surfaces and a tax deduction of  
4 expenses incurred toward certification as an organic  
5 agricultural operation based on the determination of a  
6 qualifying property's net water infiltration; and  
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8 WHEREAS, the amount of recharge to groundwater aquifers  
9 must be increased to meet rising water demands; and  
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11 WHEREAS, groundwater recharge can only occur if water can  
12 penetrate the land surface; and  
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14 WHEREAS, businesses and agricultural operations can provide  
15 a public service by opting to maintain a permeable land surface  
16 where water can percolate down to groundwater aquifers, thereby  
17 allowing excess water that is not evaporated or taken up by  
18 vegetation to become groundwater storage that will serve a  
19 future public good; and  
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21 WHEREAS, agricultural operations should be compensated for  
22 such public service, and an incentive should be provided to  
23 encourage agricultural operations to incorporate the performance  
24 of ecological services into their business models; and  
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26 WHEREAS, concerns were raised in testimony regarding  
27 technical issues that needed to be resolved in order for S.B.  
28 No. 1305 to pass, including the application of new irrigation  
29 and agricultural technologies; now, therefore,  
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31 BE IT RESOLVED by the Senate of the Twenty-seventh  
32 Legislature of the State of Hawaii, Regular Session of 2013,  
33 that the Department of Agriculture, with the assistance of the  
34 Commission on Water Resource Management, is requested to conduct  
35 a study regarding a permeable surfaces tax credit; and



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BE IT FURTHER RESOLVED that the study address, at minimum:

- (1) How to calculate and compute the volume of water that percolates to recharge groundwater aquifers, including potential usable model recommendations that yield a true or accurate accounting of net water infiltration;
- (2) Whether urban groundwater percolation should be included in a tax credit and how to calculate groundwater percolation in urban areas;
- (3) How to collect measurements of rainfall, considering microclimates across Hawaii;
- (4) Identifying the source of recharge water, such as rainfall inputs or return irrigation water;
- (5) How to define "qualifying property" for purposes of a permeable surfaces tax credit; and
- (6) Any other issues relevant to administering a permeable surfaces tax credit, with the input of the Department of Taxation; and

BE IT FURTHER RESOLVED that the Department of Agriculture is requested to report to the Legislature its findings and recommendations, including any proposed legislation, no later than twenty days prior to the convening of the Regular Session of 2014; and

BE IT FURTHER RESOLVED that certified copies of this Resolution be transmitted to the Chairperson of the Board of Agriculture, Chairperson of the Board of Land and Natural Resources, and Director of Taxation.

OFFERED BY:

  
  


