

STAND. COM. REP. NO.

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Honolulu, Hawaii

February 15, 2013

RE: H.B. No. 482  
H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Seventh State Legislature  
Regular Session of 2013  
State of Hawaii

Sir:

Your Committees on Agriculture and Water & Land, to which was referred H.B. No. 482 entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

beg leave to report as follows:

The purpose of this measure is to limit the agricultural tax credit for important agricultural lands by removing the ability to deduct from tax income all expenditures for regulatory processing, studies, and legal and other consultant services related to obtaining or retaining sufficient water for agricultural activities.

The Department of Agriculture; Hawaii Farm Bureau Federation; Alexander & Baldwin, Inc.; Maui County Farm Bureau; and Land Use Research Foundation of Hawaii testified in opposition to this measure. The Department of Taxation and Tax Foundation of Hawaii submitted comments.

Your Committees have amended this measure by removing, as a qualified agricultural cost, only legal services related to obtaining water.

The effective date was also changed to July 1, 2050, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Agriculture and Water & Land that are attached to

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this report, your Committees are in accord with the intent and purpose of H.B. No. 482, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 482, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on behalf of the members of the Committees on Agriculture and Water & Land,



CINDY EVANS, Chair



JESSICA WOOLEY, Chair





