



Hawaii Cattlemen's Council, Inc.

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HOUSE COMMITTEE ON AGRICULTURE
Monday February 4, 2013 9:30 a.m. Auditorium

HB 747 RELATING TO AGRICULTURE

Exempts from the general excise tax amounts received for
the slaughter and processing of poultry and livestock.

Chair Wooley, Vice Chair Onishi and Members of the Committees:

My name is Alex Franco; I'm a beef processor on Maui and President of the Hawaii Cattlemen's Council. The Hawaii Cattlemen's Council, Inc. (HCC) is a statewide organization comprised of five county level Cattlemen's Associations that have over 130 members and occupy approximately 25% of the State's total land mass.

The Hawaii Cattlemen's Council strongly supports HB 747 which exempts from the General Excise Tax the slaughter and processing of poultry and livestock

Many local beef producers are moving toward raising more local beef as there is a growing demand for this product in Hawaii. As this growing local beef industry transitions itself to become part of Hawaii's local food movement it run across high cost of slaughter and processing due to lower numbers during this start up phase. The beef industry's goal is to market and process more numbers of cattle and build critical mass which will ultimately lower theses processing cost over time.

Presently we need to increase numbers of cattle by encouraging more ranchers to supply Hawaii growing market. An exemption of G.E. Tax well help in reducing some of our costs as we try to build some degree of critical mass to continue to lower our costs.

We appreciate this opportunity to provide testimony on this matter.



Hawaii Crop Improvement Association

Growing the Future of Worldwide Agriculture in Hawaii

Testimony by Alicia Maluafiti

HB 747 – Exempts from the general excise tax amounts received for the slaughter and processing of poultry and livestock.

The House Committee on Agriculture

Monday, February 4, 2013

9:30 a.m., Auditorium

Position: Support

Aloha Chair Wooley, Vice Chair Onishi, and members of the Committee:

My name is Alicia Maluafiti, Executive Director of the Hawaii Crop Improvement Association, a nonprofit trade association representing Hawaii seed farmers. We support HB 747 which exempts from the general excise tax amounts received for the slaughter and processing of poultry and livestock.

We believe that this bill is another important step to supporting Hawaii's struggling livestock industry. The issue of food security is an ongoing priority within the agricultural community. Regardless of commodity or crop, we all recognize the essential elements that lead to a more viable agricultural industry including HB 747.

Hawaii's seed farmers look forward to collaborating with our agricultural allies and working on a solution to address our many food security challenges in Hawaii. Mahalo for the opportunity to testify.

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February 4, 2013

HEARING BEFORE THE
HOUSE COMMITTEE ON AGRICULTURE

TESTIMONY ON HB 747
RELATING TO AGRICULTURE

Auditorium
9:30am

Chair Wooley, Vice Chair Onishi, and Members of the Committee:

I am Dean Okimoto, President of the Hawaii Farm Bureau Federation (HFBF). Organized since 1948, the HFBF is comprised of 1,950 farm family members statewide, and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic and educational interest of our diverse agricultural community

HFBF supports of HB 747 which exempts from the general excise tax the amounts received for the slaughter and processing of poultry and livestock.

Hawaii's livestock industry faces numerous challenges. These challenges have been a contributing factor to the decline of the state's livestock industry. Sustainability, self-sufficiency and growing agriculture are popular concepts seen in many of the measures before the legislature this year. This Legislative Session, there have been many bills introduced that support of Hawaii's Agricultural Industry.

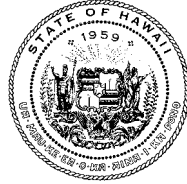
This year, HFBF has introduced a package of measures addressing the real needs of our farmers and ranchers all associated with increasing farm and ranch viability. These include infrastructure needs, permitting, and regulatory assistance.

This measure will provide a GET exemption for services paid for animal processing. This will help to reduce the operating costs and eventually help reduce the cost of purchasing local livestock products to local consumers..

Thank you for this opportunity to provide our testimony on this important matter.

NEIL ABERCROMBIE
GOVERNOR

SHAN TSUTSUI
LT. GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION
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FREDERICK D. PABLO
DIRECTOR OF TAXATION

JOSHUA WISCH
DEPUTY DIRECTOR

To: The Honorable Jessica Wooley, Chair
and Members of the House Committee on Agriculture

Date: Monday, February 4, 2013

Time: 9:30 A.M.

Place: Auditorium, State Capitol

From: Frederick D. Pablo, Director
Department of Taxation

Re: H.B. 747, Relating to Agriculture

The Department appreciates the intent of H.B. 747 and provides the following information and comments for your consideration.

H.B. 747 provides an exemption from Hawaii's general excise tax for amounts received from the slaughter and processing of poultry or livestock which have been produced in the State and are to be consumed in the State.

The Department defers to the Department of the Attorney General for an analysis of the constitutionality of this bill, but notes that the holding in Bacchus Imports Ltd. v. Dias, 468 U.S. 263 (1984) indicates that provisions that result in taxation that is discriminatory against products imported from outside the State would likely violate the Commerce Clause of the United States Constitution. This bill's requirement that the poultry or livestock or carcasses or meat thereof be produced within the State may be viewed as discriminatory against interstate commerce.

Thank you for the opportunity to provide comments.

onishi1-Jerry

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 04, 2013 8:05 AM
To: AGRtestimony
Cc: kaimiunger@gmail.com
Subject: Submitted testimony for HB747 on Feb 4, 2013 09:30AM

HB747

Submitted on: 2/4/2013

Testimony for AGR on Feb 4, 2013 09:30AM in Conference Room Auditorium

Submitted By	Organization	Testifier Position	Present at Hearing
Keith Unger	McCandless Ranch	Support	No

Comments: McCandless Ranch strongly supports HB 747 which exempts from the General Excise Tax the slaughter and processing of meat and poultry. This exemption from the GET will help reduce the operating costs to these local industries and will eventually help reduce the cost of purchasing local meat by local consumers. HB 747 is in line with the state's goal of supporting Hawaii's agricultural industry and with becoming more self-sufficient.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

Simon Russell
Hui 'O Mālama 'Āina
910-A E. Kuiaha Rd
Haiku, HI 96078

Aloha Honorable Representatives,

I am writing to suggest an amendment to HB 747. Please consider removing mainland corporations from tax exemption form GET. Their exemption will only result in increased competition from mainland companies, making it harder for local farmers to compete with their already low prices.

Respectfully Submitted,
Simon Russell
Owner and Farmer
Hui 'O Mālama 'Āina