
A BILL FOR AN ACT

RELATING TO AGRICULTURE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 235-110.93, Hawaii Revised Statutes, is
2 amended by amending subsection (k) to read as follows:

3 "(k) As used in this section:

4 "Agricultural business" means any person with a commercial
5 agricultural, silvicultural, or aquacultural facility or
6 operation, including:

- 7 (1) The care and production of livestock and livestock
8 products, poultry and poultry products, apiary
9 products, and plant and animal production for nonfood
10 uses;
- 11 (2) The planting, cultivating, harvesting, and processing
12 of crops; and
- 13 (3) The farming or ranching of any plant or animal species
14 in a controlled salt, brackish, or freshwater
15 environment;

16 provided that the principal place of the agricultural business
17 is maintained in the State and more than fifty per cent of the



1 land the agricultural business owns or leases, excluding land
2 classified as conservation land, is important agricultural land.

3 "Important agricultural lands" means lands identified and
4 designated as important agricultural lands pursuant to part III
5 of chapter 205.

6 "Net income tax liability" means income tax liability
7 reduced by all other credits allowed under this chapter.

8 "Qualified agricultural costs" means expenditures for:

- 9 (1) The plans, design, engineering, construction,
10 renovation, repair, maintenance, and equipment for:
11 (A) Roads or utilities, primarily for agricultural
12 purposes, where the majority of the lands
13 serviced by the roads or utilities, excluding
14 lands classified as conservation lands, are
15 important agricultural lands;
16 (B) Agricultural processing facilities in the State,
17 primarily for agricultural purposes, where the
18 majority of the crops or livestock processed,
19 harvested, treated, washed, handled, or packaged
20 are from agricultural businesses;
21 (C) Water wells, reservoirs, dams, water storage
22 facilities, water pipelines, ditches, or



1 irrigation systems in the State, primarily for
2 agricultural purposes, providing water for lands,
3 the majority of which, excluding lands classified
4 as conservation lands, are important agricultural
5 lands; and

6 (D) Agricultural housing in the State, exclusively
7 for agricultural purposes; provided that:

8 (i) The housing units are occupied solely by
9 farmers or employees for agricultural
10 businesses and their immediate family
11 members;

12 (ii) The housing units are owned by the
13 agricultural business;

14 (iii) The housing units are in the general
15 vicinity, as determined by the department of
16 agriculture, of agricultural lands owned or
17 leased by the agricultural business; and

18 (iv) The housing units conform to any other
19 conditions that may be required by the
20 department of agriculture;



- 1 (2) Feasibility studies, regulatory processing, and legal
2 and accounting services related to the items under
3 paragraph (1);
- 4 (3) Equipment, primarily for agricultural purposes, used
5 to cultivate, grow, harvest, or process agricultural
6 products by an agricultural business; and
- 7 (4) Regulatory processing, studies, [~~and legal~~] and
8 [~~other~~] consultant services related to obtaining or
9 retaining sufficient water for agricultural activities
10 and retaining the right to farm on lands identified as
11 important agricultural lands."

12 SECTION 2. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 3. This Act shall take effect on July 1, 2050, and
15 shall apply to taxable years beginning after December 31, 2013.



Report Title:

Important Agricultural Land; Tax Credit; Qualified Agricultural Costs

Description:

Repeals the ability to claim expenditures for legal services under the important agricultural land qualified agricultural cost tax credit. Effective July 1, 2050. Applicable to taxable years beginning after December 31, 2013. (HB482 HD1)

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