

Honolulu, Hawaii  
February 28, 2014

RE: H.B. No. 2464  
H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Seventh State Legislature  
Regular Session of 2014  
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2464 entitled:

"A BILL FOR AN ACT RELATING TO TAX CREDITS,"

begs leave to report as follows:

The purpose of this measure is to clarify the maximum allowable amounts for the important agricultural land qualified agricultural cost tax credit.

The Department of Taxation, the Department of Agriculture, the Tax Foundation of Hawaii, and Alexander & Baldwin, Inc. submitted comments on the measure.

Your Committee finds that in enacting Act 233, Session Laws of Hawaii 2008, which created the important agricultural land qualified agricultural cost tax credit, the Legislature intended to cap the tax credit at \$625,000, \$250,000, and \$125,000 in the first, second, and third year of claiming the tax credit, rather than at twenty-five per cent of those amounts as the existing law is currently being interpreted.

Your Committee has amended this measure by:

- (1) Authorizing taxpayers who filed claims for taxable years ending prior to January 1, 2014, to claim the additional tax credits allowed under this measure; and



- (2) Changing the effective date to July 1, 2030, to facilitate further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2464, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2464, H.D. 1, and be placed on the calendar for Third Reading.

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

  
SYLVIA LUXE, Chair



