

Honolulu, Hawaii

FEB 11 2013

RE: S.B. No. 595

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
Regular Session of 2013  
State of Hawaii

Madam:

Your Committee on Agriculture, to which was referred S.B. No. 595 entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

begs leave to report as follows:

The purpose and intent of this measure is to exempt amounts received from the loading, transportation, and unloading of milk, poultry, eggs, poultry carcasses, or poultry meat to be consumed in the State, whether processed in the State or imported, and aquaculture or aquaponic products to be consumed in the State, whether processed in the State or imported, from the general excise tax.

Your Committee received testimony in support of this measure from 4 Ag Hawaii, Local Food Coalition, Hawaii Aquaculture and Aquaponics Association, Hawaii Cattlemen's Council, Hawaii Food Industry Association, Ulupono Initiative, and one individual. Your Committee received testimony in opposition to this measure from Animal Rights Hawaii. Your Committee received comments on this measure from the Department of Agriculture, Department of Taxation, and Tax Foundation of Hawaii.

Your Committee finds that although amounts received from the loading, transportation, and unloading of certain agricultural commodities shipped between islands are already exempt from the general excise tax, milk, poultry, eggs, poultry carcasses, poultry meat, and aquaculture and aquaponic products do not share a similar exemption, although they are equally important to the State's agricultural economy. In 2009, the State received only



\$6,100 in general excise tax revenues for the items affected by this measure. Expanding the current general excise tax exemption to additional agricultural commodities will help alleviate financial strains on livestock producers and improve the State's agricultural self-sufficiency and food security without a significant negative impact on the State's tax revenue.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 595 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

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


*Clarence K. Nishihara*

CLARENCE K. NISHIHARA, Chair



The Senate  
Twenty-Seventh Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Agriculture**  
**AGL**

Bill / Resolution No.:* <b>SB 595</b>	Committee Referral: <b>AGL, WAM</b>	Date: <b>2/5/13</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
NISHIHARA, Clarence K. (C)	✓			
KOUCHI, Ronald D. (VC)	✓			
DELA CRUZ, Donovan M.	✓			
ENGLISH, J. Kalani		✓		
THIELEN, Laura H.		✓		
WAKAI, Glenn				✓
SLOM, Sam		✓		
<b>TOTAL</b>	<b>3</b>	<b>3</b>		<b>1</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">  </div>				
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\*Only one measure per Record of Votes