

STAND. COM. REP. NO.

451

Honolulu, Hawaii

February 16, 2017

RE: H.B. No. 1324  
H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Ninth State Legislature  
Regular Session of 2017  
State of Hawaii

Sir:

Your Committee on Transportation, to which was referred H.B. No. 1324, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO A TAX CREDIT FOR INTERISLAND TRANSPORTATION OF AGRICULTURAL PRODUCTS GROWN OR PROCESSED IN STATE ENTERPRISE ZONES,"

begs leave to report as follows:

The purpose of this measure is to authorize a tax credit equal to 20 percent of the qualifying business costs for the transportation of agricultural commodities between islands within the State.

The Hawaii Farm Bureau, Hawaii Cattlemen's Council, Inc., and Ponohele Ranch Limited supported this measure. The Department of Agriculture and Land Use Research Foundation of Hawaii supported the intent of this measure. The Department of Taxation, Department of Business, Economic Development and Tourism, and Tax Foundation of Hawaii provided comments.

Your Committee finds that interisland transportation has been a major issue with neighbor island farmers and ranchers. The majority of agricultural lands are located on the neighbor islands, yet the population center is on Oahu. Neighbor island farmers and ranchers are at a disadvantage when competing with farmers and ranchers on Oahu because of additional transportation costs of importing supplies and exporting products. This measure seeks to provide relief to neighbor island farmers and ranchers by

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reducing the costs of transporting their products to neighbor islands.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1324, H.D. 1, and recommends that it be referred to your Committee on Finance.

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

  
HENRY J.C. AQUINO, Chair



