

STAND. COM. REP. NO.

50

Honolulu, Hawaii

February 1, 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 Agriculture, to which was referred H.B. No. 1324 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 Maui County Farm Bureau, Hawaii Farm Bureau, Hawaii Cattlemen's Council, Hawaii Floriculture and Nursery Association, Hawaii Farmers and Ranchers United, and a concerned individual supported this measure. The Department of Agriculture supported the intent of this measure. The Department of Taxation, Department of Business, Economic Development, and Tourism, and Tax Foundation of Hawaii provided comments.

Should the Committee on Transportation deliberate on this measure, your Committee on Agriculture respectfully requests that it consider the concerns raised by the Department of Business, Economic Development, and Tourism and the Department of Taxation on the tax credits authorized by this measure.

HB1324 HD1 HSCR AGR HMS 2017-1759



Your Committee has amended this measure by changing its effective date to July 31, 2150, to encourage further discussion.

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 H.B. No. 1324, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1324, H.D. 1, and be referred to your Committee on Transportation.

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



RICHARD P. CREAGAN, Chair



