

STAND. COM. REP. NO.

344

Honolulu, Hawaii

February 15, 2017

RE: H.B. No. 728

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. 728 entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

begs leave to report as follows:

The purpose of this measure is to expand the agricultural commodities general excise tax exemption to include agricultural products such as cattle, goats, lambs, sheep, hogs, pork, chickens, and other poultry; meat and carcasses of cattle, goats, lambs, sheep, hogs, pork, chickens, and other poultry; milk products; eggs; and products of aquaculture and aquaponics.

The Hawaii Farm Bureau, Maui County Farm Bureau, Hawaii Crop Improvement Association, Ponoholo Ranch Limited, Land Use Research Foundation of Hawaii, and a concerned individual supported this measure. The Department of Agriculture supported the intent of the measure. Two concerned individuals opposed the measure. The Department of Taxation and Tax Foundation of Hawaii submitted comments.

Your Committee has amended this measure by:

- (1) Using already statutorily-established definitions of "agricultural products" and "producer" (section 237-5, Hawaii Revised Statutes);

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- (2) Changing its effective date to July 31, 2150, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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. 728, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 728, H.D. 1, and be referred to your Committee on Finance.

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



RICHARD P. CREAGAN, Chair



