

STAND. COM. REP. NO.

638

Honolulu, Hawaii

February 17, 2017

RE: H.B. No. 961
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. 961 entitled:

"A BILL FOR AN ACT RELATING TO FARMERS,"

begs leave to report as follows:

The purpose of this measure is to support farmers in Hawaii by providing an income-tax exclusion on the first \$50,000 of income earned by farmers whose annual gross income falls below certain thresholds.

The Hawaii Farm Bureau and two concerned individuals supported this measure. The Department of Agriculture supported the intent of the measure. SHAKA Movement/SAFE and numerous concerned individuals opposed the measure. The Department of Taxation and Tax Foundation of Hawaii submitted comments.

Your Committee has amended this measure by:

- (1) Restoring the Organic Foods Production Tax Credit, which had been proposed to be repealed;
- (2) Changing its effective date to July 31, 2150, to encourage further discussion; and

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- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee recognizes the benefits of the Organic Foods Production Tax Credit on agriculture in Hawaii and has thus restored this tax credit.

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. 961, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 961, 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



