

STAND. COM. REP. NO.

1267

Honolulu, Hawaii

March 24, 2017

RE: S.B. No. 783
S.D. 2
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 S.B. No. 783, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Repeal the provision that makes the claiming of the Important Agricultural Land Qualified Agricultural Cost Tax Credit contingent upon the repeal, exhaustion, or expiration of the tax credit for the aquarium and marine science and mammal research facility at Ko Olina Resort and Marina and the training and educational facilities at Makaha Resort;
- (2) Expand the definition of "qualified agricultural costs" to include expenditures for the clearing of, removal of trees and debris from, and soil restoration to correct any nutrient deficiency that is present on, former sugar and pineapple plantation lands that have been out of agricultural use for more than five years and are to be used primarily for agricultural purposes; and

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- (3) Repealing the provision that requires the Department of Agriculture (DOA) to cease certifying credits after 2017.

DOA, Hawaii Farm Bureau, and two individuals testified in support of this measure. The Department of Taxation and Tax Foundation of Hawaii provided comments on this measure.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 31, 2150, to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity 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 S.B. No. 783, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 783, S.D. 2, 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



