

Honolulu, Hawaii

MAR 03 2017

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

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 783, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

begs leave to report as follows:

The purpose and intent of this measure is to amend the important agricultural land qualified agricultural cost tax credit.

More specifically, this measure:

- (1) Repeals 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 the training and educational facilities at Makaha Resort;
- (2) Expands 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; and



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

Your Committee received written comments in support of this measure from one individual.

Your Committee received written comments on this measure from the Department of Agriculture and Department of Taxation.

Your Committee finds that Act 233, Session Laws of Hawaii 2008, established a variety of incentives and protections to establish and sustain viable agricultural operations on important agricultural lands. Your Committee also finds that many former sugar and pineapple plantation lands have become overgrown and that clearing out these lands and restoring the soil can be very costly to farmers who wish to return the land to agricultural use. Your Committee further finds that this measure is intended to assist these farmers, while building upon the incentives established by Act 233.

Your Committee has amended this measure by:

- (1) Clarifying that the expanded definition of "qualified agricultural costs" applies to 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;
- (2) Making a correction to accurately reflect the text format of section 235-110.93, Hawaii Revised Statutes; and
- (3) Making the Act apply to taxable years beginning after December 31, 2017.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 783, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 783, S.D. 2.



Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,

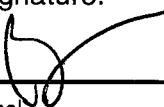


JILL N. TOKUDA, Chair



The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 783 , SD1	AEN , WAM	2/24/17		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
TOKUDA, Jill N. (C)	✓			
DELA CRUZ, Donovan M. (VC)				✓
ENGLISH, J. Kalani				✓
GALUTERIA, Brickwood	✓			
HARIMOTO, Breene	✓			
INOUYE, Lorraine R.	✓			
KAHELE, Kaiali'i				✓
RIVIERE, Gil	✓			
SHIMABUKURO, Maile S.L.	✓			
TANIGUCHI, Brian T.	✓			
WAKAI, Glenn	✓			
TOTAL	8			3
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

*Only one measure per Record of Votes