

STAND. COM. REP. NO.

478

Honolulu, Hawaii

February 16, 2017

RE: H.B. No. 1343  
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. 1343 entitled:

"A BILL FOR AN ACT RELATING TO FARMS,"

begs leave to report as follows:

The purpose of this measure is to encourage and support the growth of new, small, and diversified farming businesses by creating an exclusion from income tax for the first \$50,000 of income earned by such businesses, provided that gross income does not exceed \$200,000.

The Hawaii Farm Bureau and three concerned individuals testified in support of this measure. The Department of Agriculture testified in support of the intent of this measure. The Department of Taxation and Tax Foundation of Hawaii provided comments.

Your Committee has amended this measure by:

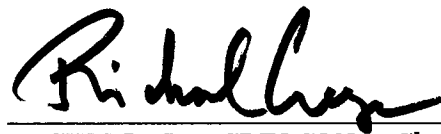
- (1) Leaving unspecified the amount of income excluded from income tax and the gross income cap applicable to eligibility for the tax credit;
- (2) Changing its effective date to July 31, 2150, to facilitate further discussion; and



- (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. 1343, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1343, 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



