

Honolulu, Hawaii

February 14, 2018

RE: H.B. No. 2462
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Agriculture, to which was referred H.B. No. 2462 entitled:

"A BILL FOR AN ACT RELATING TO TAX EXEMPTION,"

begs leave to report as follows:

The purpose of this measure is to make farming more affordable by providing an exemption from the general excise tax on the gross sale proceeds for qualifying farm equipment and machinery; provided that the producer's gross income does not exceed \$200,000.

The Department of Agriculture, a Council Member of the Maui County Council, Hawai'i Farm Bureau, Hawaii Crop Improvement Association, Maui County Farm Bureau, Hawaii Cattlemen's Council, Inc., Land Use Research Foundation of Hawaii, Hawaii Aquaculture and Aquaponics Association, and many concerned individuals supported this measure. A concerned individual opposed this measure. The Department of Taxation and Tax Foundation of Hawaii provided comments.

Your Committee has amended this measure by changing its effective date to July 1, 2150.

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. 2462, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2462, 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



