

STAND. COM. REP. NO.

948

Honolulu, Hawaii

MAR 21 2017

RE: H.B. No. 728
H.D. 1
S.D. 1

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

Sir:

Your Committee on Agriculture and Environment, to which was referred H.B. No. 728, H.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 expand the general excise tax exemption for amounts received from the inter-island loading, transportation, and unloading of agricultural products to include floricultural, horticultural, viticultural, forestry, nut, coffee, dairy, livestock, poultry, bee, animal, and any other farm, agronomic, or plantation products.

Your Committee received testimony in support of this measure from the Department of Agriculture; Hawaii Crop Improvement Association; Hawaii Cattlemen's Council, Inc.; Ulupono Initiative; Maui Chamber of Commerce; Hawai'i Farm Bureau; Maui County Farm Bureau; Maui Cattle Company; The Maritime Group, LLC; Ponoholo Ranch, Limited; McCandless Ranch; Hawaii Beef Producers LLC; Hawaii Farmers and Ranchers United; and seventeen individuals. Your Committee received comments on this measure from the Department of Taxation, Tax Foundation of Hawaii, and Meadow Gold Dairies.

Your Committee finds that Hawaii's many agricultural industries, particularly its livestock industry, face numerous



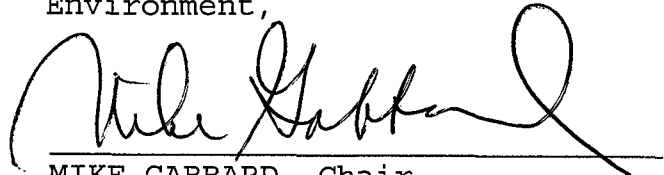
challenges. This measure seeks to assist Hawaii's agricultural industries to reduce operating costs, and eventually reduce the cost of purchasing local agricultural products by local consumers, to ensure the sustainability of Hawaii's agricultural industries.

Your Committee has amended this measure by:

- (1) Making the general excise tax exemption applicable to taxable years beginning after December 31, 2017;
- (2) Making it effective on July 1, 2017; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 728, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 728, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Agriculture and
Environment,




MIKE GABBARD, Chair



The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Agriculture and Environment
AEN

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 728, HD1	AEN, WAM	3/15/17		
<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
GABBARD, Mike (C)	X			
RIVIERE, Gil (VC)	X			
NISHIHARA, Clarence K.	X			
RHOADS, Karl	X			
RUDERMAN, Russell E.	X			
TOTAL	5	0	0	0
Recommendation:				
<input checked="" type="checkbox"/> Adopted		<input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes