

STAND. COM. REP. NO.

261

Honolulu, Hawaii

FEB 15 2017

RE: S.B. No. 1194

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 S.B. No. 1194 entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

begs leave to report as follows:

The purpose and intent of this measure is to exempt gross income from the sale of agricultural commodities produced in the State and sold directly to consumers from the general excise tax up to a limit of \$50,000 per year.

Your Committee received testimony in support of this measure from the Hawai'i Farm Bureau; Hawaii Coffee Association; Malia Farms LLC; Kakalina Farms LLC; Vida Farms, LLC; and four individuals. Your Committee received comments on this measure from the Department of Agriculture, Department of Taxation, Department of the Attorney General, and Tax Foundation of Hawaii.

Your Committee finds that the sale of agricultural commodities directly to consumers continues to grow in the State. Your Committee also finds that additional support to Hawaii's agriculture industry, specifically, reducing the tax burden of farms that produce and sell agricultural commodities, such as fruits, vegetables, nuts, coffee, and honey, will help to promote the production of locally-grown food, reduce reliance on agricultural imports, and foster job growth in the State.

Your Committee has amended this measure by:

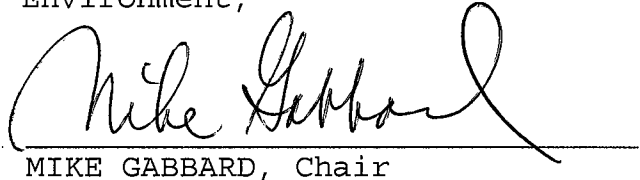
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- (1) As recommended by the Department of the Attorney General, removing language that requires an "agricultural commodity" to be produced in the State; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

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 S.B. No. 1194, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1194, 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:		
SB1194	AEN, WAM	2/13/17		
<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	2	2	0	1
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