

STAND. COM. REP. NO.

2055

Honolulu, Hawaii

FEB 06 2018

RE: S.B. No. 2533

S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Twenty-Ninth State Legislature  
Regular Session of 2018  
State of Hawaii

Sir:

Your Committee on Agriculture and Environment, to which was referred S.B. No. 2533 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to exempt from the general excise tax the value or gross income derived from the sale of locally grown food produced and purchased within the State.

Your Committee received testimony in support of this measure from the Department of Agriculture; Hawai'i Farm Bureau; Hawaii Cattlemen's Council, Inc.; Hawaii Farmers Union United; and four individuals. Your Committee received comments on this measure from the Department of Taxation; Department of the Attorney General; Tax Foundation of Hawaii; and Hawaii Fisherman's Alliance for Conservation and Tradition, Inc.

Your Committee finds that increased local food production is a top priority of the State to achieve the state goal of sustainability. Your Committee supports all efforts that encourage increased local food production in the State.

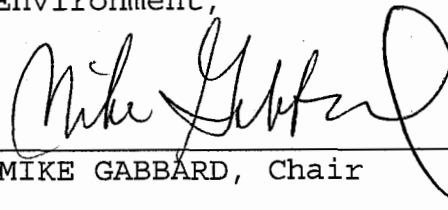
Your Committee has amended this measure by:



- (1) Applying the general excise tax exemption to agricultural products, rather than locally grown food produced and purchased within the State; and
- (2) Making a technical, nonsubstantive amendment 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. 2533, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2533, 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,



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MIKE GABBARD, Chair



