

STAND. COM. REP. NO.

2795

Honolulu, Hawaii

MAR 02 2018

RE: S.B. No. 2565
S.D. 2

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

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2565, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to exempt certain producers of agricultural products from the general excise tax for farm equipment and machinery purchases.

Your Committee received written comments in support of this measure from the Department of Agriculture, Hawaii Farm Bureau Federation, Land Use Research Foundation of Hawaii, and Maui County Farm Bureau.

Your Committee received written comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that this measure will provide tax relief to Hawaii farmers, who typically earn an average of only \$35,000 annually.

Your Committee has amended this measure by:

- (1) Clarifying that the maximum gross income that a producer may earn to be eligible for the exemption shall be



evidenced by the producer's income tax return for the previous taxable year;

- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure;
- (3) Providing that the measure shall be repealed on an unspecified date; and
- (4) Making a technical nonsubstantive change for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2565, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2565, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,

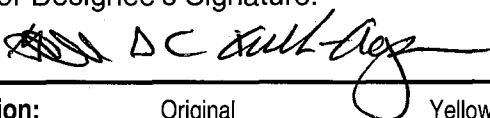


DONOVAN M. DELA CRUZ, Chair



The Senate
Twenty-Ninth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:
SB 2565, SD1	AEN, WAM	2/28/10
<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
DELA CRUZ, Donovan M. (C)	X	
KEITH-AGARAN, Gilbert S.C. (VC)	X	
ENGLISH, J. Kalani	X	
GALUTERIA, Brickwood		X
HARIMOTO, Breene	X	
INOUYE, Lorraine R.	X	
KAHELE, Kaiali'i		X
KIDANI, Michelle N.	X	
RIVIERE, Gil	X	
SHIMABUKURO, Maile S.L.	X	
WAKAI, Glenn	X	
TOTAL	9	2
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