

Honolulu, Hawaii

MAR 23 , 2018

RE: S.B. No. 3031
S.D. 2

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 S.B. No. 3031, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE ORGANIC FOODS PRODUCTION TAX CREDIT,"

begs leave to report as follows:

The purpose of this measure is to clarify and strengthen the Organic Foods Production Tax Credit (Tax Credit), which assists farmers who cultivate organic products, by:

- (1) Providing a qualifying taxpayer a prorated share of the Tax Credit in tax years where the \$2,000,000 aggregated cap is exceeded;
- (2) Repealing the authorization for the Board of Agriculture to assess and collect a fee to offset the costs of certifying the Tax Credit claimed by taxpayers; and
- (3) Providing that only expenses incurred to apply for, obtain, and maintain organic certification from the United States Department of Agriculture may be used to claim the Tax Credit.

The Department of Agriculture, Hawai'i Farm Bureau, Oahu
County Committee on Legislative Priorities of the Democratic Party



of Hawai'i, and an individual supported this measure. The Department of Taxation and Tax Foundation of Hawaii provided comments.

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 S.B. No. 3031, S.D. 2, and recommends that it pass Second Reading and be referred to your Committee on Finance.

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



RICHARD P. CREAGAN, Chair



