

775-18

Honolulu, Hawaii MAR 2 3 , 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:

- 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

SB3031 SD2 HSCR AGR HMS 2018-3226

STAND. COM. REP. NO. **1375**-18 Page 2

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



State of Hawaii House of Representatives HSLR 1375-18 The Twenty-ninth Legislature

Record of Votes of the Committee on Agriculture

Bill/Resolution No.:Committee Referral:Date:SB 2031SD2AGR, FIN $3 - 21 - 18$				
The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
AGR Members	Ayes	Ayes (WR)	Nays	Excused
1. CREAGAN, Richard P. (C)				
2. DeCOITE, Lynn (VC)		you - way any regererance		
3. GATES, Cedric Asuega				~
4. ING, Kaniela				
5 SAV Colvin V.V.				
5. SAY, Calvin K.Y.				
6. TAKAYAMA, Gregg				
7. THIELEN, Cynthia		<u>entre posto da compo</u>	177-116.88-28-79-6.342-342-342	<u>an e tan dala gut lo, a dala fi</u>
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TOTAL (7)	5	0	0	2
The recommendation is: Adopted If joint referral, did not support recommendation.				
Vice Chair's or designee's signature: Lyn Sulert				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				