STAND. COM. REP. NO. 9777 -18

Honolulu, Hawaii APR 06 , 2018 RE: S.B. No. 783

S.D. 2 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Twenty-Ninth State Legislature Regular Session of 2018 State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 783, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

begs leave to report as follows:

The purpose of this measure is to assist farmers and encourage greater growth of the State's agricultural industry through expanding the period of applicability of and eligible costs which may be claimed under the Important Agricultural and Qualified Agricultural Cost Tax Credit by:

- Repealing obsolete language that conditions the availability of the Tax Credit upon the repeal, exhaustion, or expiration of a different, unrelated tax credit;
- (2) Expanding the definition of "qualified agricultural costs" eligible for deduction from a taxpayer's net income tax liability to include expenditures for the clearing of, removal of trees and debris from, and soil restoration to correct any nutrient deficiency that is present on, former sugar and pineapple plantation lands that have been out of agricultural use for more than



five years and are to be used primarily for agricultural purposes; and

(3) Repealing the requirement that the Department of Agriculture (DOA) cease certifying credits after 2017.

The Hawaii Farm Bureau, Alexander & Baldwin, Inc., and Oahu County Committee on Legislative Priorities of the Democratic Party of Hawaii testified in support of this measure. The Department of Agriculture, Department of Taxation, Tax Foundation of Hawaii, and a concerned individual provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 783, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

> Respectfully submitted on behalf of the members of the Committee on Finance,



State of Hawaii House of Representatives The Twenty-ninth Legislature



Record of Votes of the Committee on Finance

Bill/Resolution No.: CB 783 SD 2, HD1	SO 2, HDI AGR, FIN			Date: 4/4/18		
□ 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)						
FIN Members	Ayes	Ayes (WR)	Nays	Excused		
1. LUKE, Sylvia (C)						
2. CULLEN, Ty J.K. (VC)						
3. CACHOLA, Romy M.						
4. DeCOITE, Lynn						
5. FUKUMOTO, Beth						
6. GATES, Cedric Asuega						
7. HOLT, Daniel						
8. KEOHOKALOLE, Jarrett						
9. KOBAYASHI, Bertrand		ж. Т				
10. LOWEN, Nicole E.						
11. NAKAMURA, Nadine K.						
12. TODD, Chris						
13. YAMASHITA, Kyle T.						
14. TUPOLA, Andria P.L.						
15. WARD, Gene						
TOTAL (15)	/0	Ø	Ø	S		
The recommendation is: Adopted Not Adopted If joint referral,						
Vice Chair's or designee's signature:						
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO						