

DAVID Y. IGE
GOVERNOR

DOUGLAS S. CHIN
LIEUTENANT GOVERNOR



LINDA CHU TAKAYAMA
DIRECTOR

DAMIEN A. ELEFANTE
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF TAXATION
830 PUNCHBOWL STREET, ROOM 221
HONOLULU, HAWAII 96813
<http://tax.hawaii.gov/>
Phone: (808) 587-1540 / Fax: (808) 587-1560
Email: Tax.Directors.Office@hawaii.gov

To: The Honorable Donovan Dela Cruz, Chair
and Members of the Senate Committee on Ways & Means

Date: Wednesday, February 28, 2018
Time: 10:45 A.M.
Place: Conference Room 211, State Capitol

From: Linda Chu Takayama, Director
Department of Taxation

Re: S.B. 2074, Relating to the Important Agricultural Land Qualified Agricultural Cost Tax Credit

The Department of Taxation (Department) appreciates the intent of S.B. 2074 and offers the following comments for your consideration.

S.B. 2074 amends Hawaii Revised Statutes (HRS) section 235-110.93, by extending through tax year 2028 the period of time during which the Department of Agriculture (DOA) may certify the important agricultural lands qualified agricultural cost tax credit. The measure deletes previous language directing the DOA to cease certifying such credits “after the fourth taxable year following the taxable year during which the credits are first claimed[,]” and replaces it with language directing the DOA to cease certifying these credits for taxable years beginning after December 31, 2028. The measure is effective upon its approval.

The Department is able to administer the bill as written and defers to the DOA regarding its ability to continue certification of the tax credit through 2028.

Thank you for the opportunity to provide comments.

DAVID Y. IGE
Governor

DOUGLAS S. CHIN
Lt. Governor



SCOTT E. ENRIGHT
Chairperson, Board of Agriculture

PHYLLIS SHIMABUKURO-GEISER
Deputy to the Chairperson

State of Hawaii
DEPARTMENT OF AGRICULTURE
1428 South King Street
Honolulu, Hawaii 96814-2512
Phone: (808) 973-9600 FAX: (808) 973-9613

**TESTIMONY OF SCOTT E. ENRIGHT
CHAIRPERSON, BOARD OF AGRICULTURE**

BEFORE THE SENATE COMMITTEE ON WAYS & MEANS

**FEBRUARY 28, 2018
10:45 A.M.
CONFERENCE ROOM 211**

**SENATE BILL NO. 2074
RELATING TO THE IMPORTANT AGRICULTURAL LAND QUALIFIED
AGRICULTURAL COST TAX CREDIT**

Chairperson Dela Cruz and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill No. 2074 that authorizes the Department of Agriculture to certify Important Agricultural Land qualified agricultural costs through the 2028 tax year. The Department strongly supports this bill.

It is very important for the Department to resume certifying IAL qualified costs for the tax credits for two reasons. First, the landowners and farmers that have voluntarily identified their agricultural land continue to fund improvements to their farmlands. Second, three of the four counties have yet to complete the mapping of their potential IAL and have these lands designated as IAL by the Land Use Commission, pursuant to Section 205-47. We strongly believe that all the IAL incentives enacted in 2008, of which the tax credit is one component, should be available to all qualified landowners/farmers affected by the county identification process.

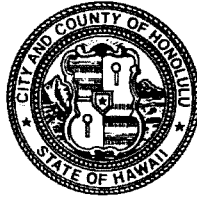
Thank you for the opportunity to testify on this measure.



DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813
PHONE: (808) 768-8000 • FAX: (808) 768-6041
DEPT. WEB SITE: www.honolulu.dpp.org • CITY WEB SITE: www.honolulu.gov

KIRK CALDWELL
MAYOR



KATHY K. SOKUGAWA
ACTING DIRECTOR

TIMOTHY F. T. HIU
DEPUTY DIRECTOR

EUGENE H. TAKAHASHI
DEPUTY DIRECTOR

February 28, 2018

The Honorable Donovan M. Dela Cruz, Chair
and Members of the Committee on Ways and Means
Hawaii State Senate
Hawaii State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chair Dela Cruz and Committee Members:

Subject: Senate Bill No. 2074
Relating to Important Agricultural Land
Qualified Agricultural Cost Tax Credit

The Department of Planning and Permitting (DPP) **supports** Senate Bill No. 2074, which extends through December 31, 2028, the time that the Department of Agriculture may certify important agricultural lands (IAL) qualified for agricultural cost tax credits.

We are, however, **very concerned** with the comments contained in the Senate Committee on Agriculture and Environment's Standing Committee Report No. 2008, which recommends that your Committee consider setting minimum lot sizes or other "safeguards" to deter "fake farms" and encourage true agricultural use of important agricultural lands. The DPP **opposes** establishing additional restrictions for IAL lands under this Bill. The intent of this Bill is to extend tax credits beyond 2017 under Section 235, HRS. Any changes to how IAL land are regulated should be under a bill addressing Chapter 205, HRS, and be done as a primary focus of legislation, not as an "add-on."

As background, you may be interested to know that the City already has in place zoning requirements and subdivision rules that deter the conversion of agricultural lands into "fake farms." For example, an application for the subdivision of agricultural land must be accompanied by an agricultural plan that is reviewed by the State Department of Agriculture. Only "farm dwellings" are allowed in agricultural lands, and any building permit for the farm dwellings must be accompanied by a restrictive covenant acknowledging this restriction. All farm dwellings are limited to a land area of 5,000 square feet.

The Honorable Donovan M. Dela Cruz, Chair
and Members of the Committee on Ways and Means
Hawaii State Senate
Senate Bill No. 2074
February 28, 2018
Page 2

In sum, we support Senate Bill No. 2074, unamended. If your Committee seeks solutions to deter "fake farms," we suggest that Chapter 205, HRS, be amended to remove references to farming for "personal use" and establish a definition of a "fake farm."

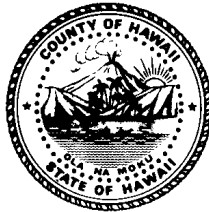
Thank you for the opportunity to comment.

Very truly yours,

A handwritten signature in black ink, appearing to read "Kathy Sokugawa". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Kathy K. Sokugawa
Acting Director

County of Hawai'i
Council District 9 -
North and South Kohala



Phone: (808) 961-8564
(808) 887-2069

Email: tim.richards@hawaiicounty.gov

Chair: Committee on Agriculture,
Water & Energy

Vice Chair: Committee on
Environmental Management

HERBERT M. "TIM" RICHARDS, III
HAWAI'I COUNTY COUNCIL
District 9

25 Aupuni Street, Ste. 1402, Hilo, Hawai'i 96720

February 26, 2018

Senate Committee on Ways and Means

Honorable Senator Donovan M. Dela Cruz, Chair

Email: sendelacruz@capitol.hawaii.gov

Honorable Senator Gilbert S.C. Keith-Agaran, Vice Chair

Email: senkeithagaran@capitol.hawaii.gov

RE: Support of SB2074

Hearing Date/Time: February 28, 2018 at 10:45 a.m.

Dear Senators:

Thank you for the opportunity to submit **testimony in STRONG SUPPORT of SB2074**, which extends through 2028 tax year the time that the Department of Agriculture may certify important agricultural land qualified agricultural cost tax credits.

The passing of and the implementation of this bill is significant for the agriculture industry statewide. From the small farmer to the large rancher, it provides landowners and farmers additional time to claim the tax credit available should their agricultural lands is identified as potential important agriculture lands in the State of Hawai'i. I therefore strongly urge the enactment of SB2074.

Please feel free to contact me should you need to discuss my position and knowledge of this matter further.

Sincerely,

TIM RICHARDS

Hawai'i County Council, District 9

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: INCOME, Extend Important Agricultural Land Credit

BILL NUMBER: SB 2074

INTRODUCED BY: GABBARD, KEITH-AGARAN, KIM, S. Chang, English, Green, Nishihara, Ruderman, Taniguchi

EXECUTIVE SUMMARY: Section 4 of the bill extends the important agricultural land tax credit by ten years. The bill adds contradictory provisions to the credit, and the conflict should be resolved. Also, given the sparse utilization of the credit to date, the need for the extension is questionable.

SYNOPSIS: Amends HRS section 235-110.93 to provide that the department of agriculture shall cease certifying credits for taxable years beginning after December 31, 2028. It previously required cessation of certification after the fourth taxable year following the taxable year during which the credits are first claimed, which we understand to be December 31, 2017.

EFFECTIVE DATE: Upon approval.

STAFF COMMENTS: The legislature by Act 233, SLH 2008, enacted the important agricultural land qualified agricultural cost tax credit.

In the department of agriculture's 2017 report on the credit, representing activity for the 2016 tax year, the department reported that it certified \$1,375,000 in credits for three applicants. As of December 2016, eight private land owners have applied for and received designation of their lands as IAL from the Land Use Commission. The total area designated as IAL as of December 2017 was 133,105 acres. The department in its report recommended an extension of the sunset date of the credit, which otherwise expired at the end of 2017.

In its 2016 report, the department stated that none of the counties have submitted their approved plans and maps identifying potential important agricultural lands (IAL) to the Land Use Commission for IAL designation as required under Section 205-47, HRS.

Given that the amount of credits certified was negligible and the applicant base was extremely small, one must ask whether the objectives of the original legislation are being met, and whether there is any prospect of return on our investment of public dollars. The legislature may find that it is pointless to keep watering the basalt in the hopes that something will sprout from it.

In any event, the credit language now contains contradictory provisions. At the end of HRS section 235-110.93(a), existing language provides that the taxpayer may claim the credit in consecutive or inconsecutive taxable years until exhausted, in other words, that carryover of the credit is allowed. This conflicts with new language providing that the taxpayer may only claim the credit in the taxable year in which the taxpayer incurred the qualified agricultural costs.

Digested 1/25/2018



ALEXANDER & BALDWIN
PARTNERS FOR HAWAII

**SB 2074
RELATING TO THE IMPORTANT AGRICULTURAL LAND QUALIFIED AGRICULTURAL
COST TAX CREDIT**

**PAUL T. OSHIRO
DIRECTOR – GOVERNMENT AFFAIRS
ALEXANDER & BALDWIN, INC.**

FEBRUARY 28, 2018

Chair Dela Cruz and Members of the Senate Committee on Ways & Means:

I am Paul Oshiro, testifying on behalf of Alexander & Baldwin, Inc. (A&B) on SB 2074, "A BILL FOR AN ACT RELATING TO THE IMPORTANT AGRICULTURAL LAND QUALIFIED AGRICULTURAL COST TAX CREDIT." We support this bill.

After over twenty five years of debate, negotiation, and compromise, the IAL Law and process was finally enacted in July 2008. After years of pursuing a land-use approach to this constitutional mandate, the IAL Law that was successfully passed (Act 183 (2005) and Act 233 (2008)) was premised on the principle that the best way to preserve agricultural lands is to preserve agricultural businesses and agricultural viability. As such, the IAL Law not only provides the standards, criteria, and processes to identify and designate important agricultural lands to fulfill the intent and purpose of Article XI, Section 3 of the Hawaii State Constitution, it also provides for a package of incentives designated to support and encourage sustained, viable agricultural activity on IAL.

The IAL Law presently authorizes the identification and designation of IAL in one of two ways --- by voluntary petition to the State Land Use Commission by the landowner or farmer; or subsequently by the Counties filing a petition to designate lands as IAL pursuant

to a County identification and mapping process. In either case, the LUC determines whether the petitioned lands qualify for IAL designation pursuant to the standards, criteria, objectives, and policies set forth in the IAL Law. To date, the voluntary petition process has resulted in the designation by the LUC of over 130,000 acres of agricultural lands as IAL from voluntary petitions by Alexander & Baldwin, Parker Ranch, Castle & Cooke, Mahaulepu Farm, Grove Farm, Monsanto, the Robinson Family, and Kamehameha Schools.

This bill extends the date by which the Department of Agriculture will cease certifying IAL Tax Credits. Major infrastructure requirements such as irrigation systems, roads and utilities, and agricultural processing facilities play a critical role in the survival of many agricultural operations. The IAL Tax Credit provides important financial support that assists IAL farmers in sustaining their agricultural operations. This tax credit also serves as a stimulus to encourage IAL farmers to expand their operations or to enhance their operating efficiencies through the installation of new agricultural infrastructure, equipment, and other related improvements to service their farming operations. We believe that this bill will continue to enhance the viability and sustainability of present and future IAL based farming operations.

Based on the aforementioned, we respectfully request your favorable consideration on this bill.



February 23, 2018

Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair
Senate Committee on Ways and Means

Support of SB 2074, Relating to the Important Agricultural Land Qualified Agricultural Cost Tax Credit (Extends the time the Department of Agriculture may certify important agricultural lands qualified agricultural cost tax credits through 2028 tax year).

Wednesday, January 28, 2018, at 10:45 a.m., in Conference Room 211

The Land Use Research Foundation of Hawaii (LURF) is a private, non-profit research and trade association whose members include major Hawaii landowners, developers and a utility company. LURF's mission is to advocate for reasonable, rational and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawaii's significant natural and cultural resources, and public health and safety.

LURF appreciates the opportunity to express its **support of SB 2074** and of the various agricultural stakeholder groups who defend the goals of viable agricultural operations and the conservation and protection of agriculture, including important agricultural lands (IAL) in Hawaii.

SB 2074. The purpose of this bill is to extend the period of time during which the Department of Agriculture may certify important agricultural land qualified agricultural cost tax credits through 2028 to allow landowners and farmers to claim the tax credit in the event their agricultural lands are identified as potential important agricultural lands and designated as such by the land use commission.

LURF's Position. LURF members include farmers and ranchers who own, maintain, and engage in agricultural enterprises, and who consider incentives such as the subject tax credits very helpful, if not critical to the agriculture industry and conduct of their operations, to help sustain their businesses, promote local food production, and increase the State's ability to achieve its food sustainability goals.

The purpose of this bill is consistent with the underlying intent and objectives of the IAL laws (Hawaii Revised Statutes [HRS], Sections 205-41 to 52), which were enacted to fulfill the mandate in Article XI, Section 3, of the Hawaii State Constitution, “to conserve and protect agricultural lands, promote diversified agriculture, increase agricultural self-sufficiency and assure the availability of agriculturally suitable lands.” The IAL laws established a new paradigm which avoids requirements and mandates, and instead focuses on promoting agricultural viability by providing incentives for farmers and landowners to designate lands as IAL, and to build necessary infrastructure. This bill is thus an effort to expand the existing IAL program by continuing incentives for landowners to preserve and maintain IAL.

As noted in HRS Section 205-41, the intent of Act 183 (2005) was to develop agricultural incentive programs to promote agricultural viability, sustained growth of the agricultural industry, and the long-term use and protection of important agricultural lands for agricultural use in Hawaii concurrently with the process of identifying important agricultural lands as required under the Act. Such incentives and programs are expressly identified in HRS 205-41, and specifically include assistance in identifying federal, state and private grant resources for agricultural business planning and operations; as well as incentives such as tax credits that promote investment in agricultural businesses or value-added agricultural development, and other agricultural financing mechanisms.

The IAL tax credits, however, expired in 2017, and legislation introduced to renew the credits was not passed. Moreover, the counties have not provided any IAL incentives to date. Passage of the long-awaited IAL legislation would be meaningless without such incentives which require the cooperation and support of the business and economic community. By recognizing the significance of, and need to assist the local agriculture industry, and uphold incentives which help to support the growth and maintenance of agriculture in the State, this bill significantly helps to promote economically viable agriculture and food self-sufficiency in Hawaii.

For the reasons set forth above, LURF is **in support of SB 2074**, and respectfully urges your favorable consideration of this bill.



P.O. Box 253, Kunia, Hawai'i 96759
Phone: (808) 848-2074; Fax: (808) 848-1921
e-mail info@hfbf.org; www.hfbf.org

LATE

February 28, 2018

HEARING BEFORE THE
SENATE COMMITTEE ON WAYS AND MEANS

TESTIMONY ON SB 2074
RELATING TO THE IMPORTANT AGRICULTURAL LAND QUALIFIED
AGRICULTURAL COST TAX CREDIT

Room 211
10:45 AM

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee:

I am Randy Cabral, President of the Hawaii Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,900 farm family members statewide, and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic and educational interest of our diverse agricultural community.

HFB is in strong support of SB 2074, which extends the period during which the HDOA may certify important agricultural lands qualified agricultural cost tax credits to 2028.

Hawaii is the first state in the country to have an Agricultural Land Preservation measure focused on agricultural viability. During the weeks of deliberation that created Hawaii's Important Agricultural Lands initiative, a review was conducted of ag land preservation measures across the nation. Initiatives that were passed many years ago were especially taken under close scrutiny to determine whether their intents were realized. What became obvious was payments for development rights, preserved land for agriculture but did not necessarily keep the land in agriculture -- it succeeded in keeping them in open space. Too often, the recipient of the benefit used it to pay off debt, passed the land to a successor who now had no benefits and reduced collateral to go to the bank for loans as the land was devalued.

Taking these lessons to heart, the move was made to create incentives to reward investments in infrastructure – improvements to irrigation system and other basic infrastructure, construction of value added facilities, or construction of irrigation water storage facilities were among the qualified agriculture expenditures that were deemed needed for viable operations. The structure of the incentive as a tax credit for only a percentage of costs forces serious investments vs. those that do it just to get a tax credit.

Also, being that it is a tax credit requires that the applicant is paying taxes so most likely a viable business endeavor.

Reports have been submitted by the Department of Agriculture reporting the amount of tax credits awarded by year. The highest-level activity was in 2015, reported to the Legislature in 2016.

The breakdown of costs applicants applied for in 2014 are listed as follows:

A \$98,915.58
B \$605,814.04
C \$2,452,699.27
D \$51,486.60
E \$742,979.67
F \$2,500,223.39
G 0

A. Roads or utilities, primarily for agricultural purposes, where most of the lands serviced by the roads or utilities, excluding lands classified as conservation lands, are important agricultural lands;

B. Agricultural processing facilities in the State, primarily for agricultural purposes, where the majority of the crops or livestock processed, harvested, treated, washed, handled, or packaged are from agricultural businesses;

C. Water wells, reservoirs, dams, water storage facilities, water pipelines, ditches, or irrigation systems in the State, primarily for agricultural purposes, providing water for lands, the majority of which, excluding lands classified as conservation lands, are important agricultural lands; and

D. Agricultural housing in the State, exclusively for agricultural purposes; provided that: housing units are occupied solely by farmers or employees for agricultural businesses and their immediate family members; the housing units are owned by the agricultural business; the housing units are in the general vicinity, as determined by the department of agriculture, of agricultural lands owned or leased by the agricultural business; and the housing units conform to any other conditions that may be required by the department of agriculture;

E. Feasibility studies, regulatory processing, and legal and accounting services related to the items under paragraph (1);

F. Equipment, primarily for agricultural purposes, used to cultivate, grow, harvest, or process agricultural products by an agricultural business; and

G. Regulatory processing, studies, and legal and other consultant services related to obtaining or retaining sufficient water for agricultural activities and retaining the right to farm on lands identified as important agricultural lands.

As you can see by the breakdown of use, majority of funds were associated with improvements/modification of irrigation systems or equipment associated with agricultural production. Both of these investments are critical for agricultural viability.

There appears to be a priority to keep lands in agriculture as seen by numerous measures to purchase lands by the State. The IAL program encourages VOLUNTARY designation of the lands in exchange for the incentives, a cost-effective way to preserve ag operations – not just lands, for future generations.

We therefore respectfully request your strong support of this measure as an investment to agriculture's future in the State of Hawaii.

Thank you for this opportunity to provide our opinion on this important matter.



Hawaii Cattlemen's Council, Inc.

COMMITTEE ON WAYS AND MEANS
Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair

DATE: Wednesday, February 28, 2018
TIME: 10:45 a.m.
PLACE: Conference Room 211

**SB 2074 – RELATING TO THE IMPORTANT AGRICULTURAL LAND QUALIFIED
AGRICULTURAL COST TAX CREDIT.**

Extends through 2028 tax year the time that the department of agriculture may certify important agricultural lands qualified agricultural cost tax credits.

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee:

My name is Dale Sandlin, and I am Managing Director of the Hawaii Cattlemen's Council. The Hawaii Cattlemen's Council, Inc. (HCC) is the Statewide umbrella organization comprised of the four county level Cattlemen's Associations. Our 150+ member ranchers represent over 60,000 head of beef cows; more than 75% of all the beef cows in the State. Ranchers are the stewards of approximately 25% of the State's total land mass.

The Hawaii Cattlemen's Council **strongly supports** SB 2074 as this measure will provide a needed extension to the Important Agricultural Lands (IAL) for an additional 10 years.

With the constant pressure of development, keeping lands that have been in agricultural production becomes more difficult every year. The designation of IAL lands has proven successful as many producers have designated these lands to remain in agricultural production. The ranching industry has designated thousands of acres to agricultural production on nearly every island.

IAL was passed as an incentive driven program which provided a tax incentive to landowners who chose to designate. If these incentives were to go away, this has defeated the original purpose and misled the people who put their lands into IAL voluntarily.

We respectfully ask this committee to pass this measure and we appreciate the opportunity to testify on this important matter.





Board of Directors

President

Alan Takemoto

Vice-President

Joshua Uyehara

Secretary

Dawn Bicoy

Treasurer

Laurie Yoshida

Directors-at-Large

Adolf Helm

Mark Stoutemyer

Dan Clegg

Gene Harrington

President Emeritus

Kirby Kester

Executive Director

Bennette Misalucha

TESTIMONY FROM BENNETTE MISALUCHA, EXECUTIVE DIRECTOR

In Strong Support of SB2074

Relating to the Important Agricultural Land Qualified Agricultural Cost Tax Credit

SENATE COMMITTEE ON WAYS AND MEANS

February 28, 2018, 10:45 a.m.

Conference Room 211

Chair Dela Cruz and members of the committee:

The Hawaii Crop Improvement Association (HCIA) is a Hawaii-based non-profit organization that promotes modern agriculture to help farmers and communities succeed. Through education, collaboration, and advocacy, we work to ensure a safe and sustainable food supply, support responsible farming practices, and build a healthy economy.

HCIA **supports SB2074**, which seeks to extend through the 2028 tax year the time that the department of agriculture may certify important agricultural lands qualified agricultural cost tax credits.

Many of Hawaii's farmers operate their businesses within very small fiscal margins. Extending IAL qualified tax credits increases the likelihood that farmers on designated lands will operate in a financial surplus. It also allows for much needed infrastructure improvements that in turn support the State's goal of increasing local food production.

Thank you for the opportunity to testify in support of this bill.

Respectfully submitted,

Bennette Misalucha

Executive Director

SB-2074

Submitted on: 2/26/2018 8:31:20 AM

Testimony for WAM on 2/28/2018 10:45:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Warren Watanabe	Testifying for Maui County Farm Bureau	Support	No

Comments:

SB-2074

Submitted on: 2/24/2018 8:46:04 AM

Testimony for WAM on 2/28/2018 10:45:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Nancy Redfeather	Testifying for Ka Ohana O Na Pua	Support	No

Comments:

Extending the time period for this program just makes good sense. Maybe some of our large landowners will come to their senses and take the tax credits, so that we may protect and preserve agricultural lands in the State of Hawai'i. Mahalo!

SB-2074

Submitted on: 2/24/2018 6:01:31 PM

Testimony for WAM on 2/28/2018 10:45:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
J Ashman	Individual	Support	No

Comments:



Cindy Goldstein, PhD
Ag Matters, LLC
98-814 C Kaonohi St
Aiea, HI 96701

SB 2074, S.D.1
RELATING TO:
IMPORTANT AGRICULTURAL LAND QUALIFIED AGRIC TAX CREDIT

Senate Committee on Ways and Means
Wednesday, February 28, 2018, 10:45 a.m. Conference Room 211

Chair Senator Donovan Dela Cruz, Vice Chair Senator Gilbert Keith-Agaran, and members of the Senate Ways and Means Committee,

Position: **Support SB2074, S.D.1**

As a board member of the statewide Hawaii Farm Bureau, I support SB2074 because this bill provides a benefit for Hawaii's farmers and helps farmers with the economics of farming. Extending the timeframe for this program to 2028 for certification of important agricultural lands qualified for agricultural cost tax credits is important to provide an opportunity for more of Hawaii's farms to participate. This legislation makes sense as this additional time allows landowners and farmers to claim the tax credit in the event their agricultural lands are identified as potential important agricultural lands and designated as such by the land use commission.

Thank you for the opportunity to provide testimony in support of SB2074, SD1.

LATE

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee:

I stand in strong SUPPORT of SB 2074, SD 1, which extends the period during which the HDOA may certify important agricultural lands qualified agricultural cost tax credits to 2028.

There appears to be a priority to keep lands in agriculture as seen by numerous measures to purchase lands by the State. The IAL program encourages VOLUNTARY designation of the lands in exchange for the incentives a cost-effective way to preserve agriculture operations, for future generations.

We therefore respectfully request your strong support of this measure as an investment to agriculture's future in the State of Hawaii.

Thank you for the opportunity to provide my testimony on this measure.

Mahalo!

Les Takayama

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee:

I stand in strong SUPPORT of SB 2074, SD 1, which extends the period during which the HDOA may certify important agricultural lands qualified agricultural cost tax credits to 2028.

There appears to be a priority to keep lands in agriculture as seen by numerous measures to purchase lands by the State. The IAL program encourages VOLUNTARY designation of the lands in exchange for the incentives a cost-effective way to preserve agriculture operations, for future generations.

We therefore respectfully request your strong support of this measure as an investment to agricultures future in the State of Hawaii.

Thank you for the opportunity to provide my testimony on this measure.

Mahalo!

John Gordines	Karol Haraguchi	Blaine Grassman	Joni Kamiya
Wayne Shizuru	Alvin Tsuruda	James Tavares	Donald Sommer
Randy Muller	Robert Paull	Helene Lileikis	Kylie Matsuda-Lum
Diane Chuensanguansat	Melvin Matsuda	David Schell	Kaohi Mokuhalii
Richard Ogoshi	Ramon de la Pe	Clyde Fukuyama	