
A BILL FOR AN ACT

RELATING TO TARO.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that Hawaii imports
2 eighty-five per cent of its food and is considered highly
3 vulnerable in issues of food security as a State. Climate
4 change significantly increases this vulnerability with sea level
5 rise and intensified weather patterns in the Pacific, such as
6 droughts, hurricanes, and floods. In 2016, at the International
7 Union of Conservation of Nature World Conservation Congress, as
8 part of Hawaii's commitments to the world and the state, and in
9 order to begin to address this import inequity, the governor
10 pledged to double food production in Hawaii by 2030.

11 Small farms on ten acres or less in Hawaii produce a
12 significant portion of our locally grown, locally consumed food
13 on each island. The small farm sector of agriculture is
14 growing, yet, the 2017 census of agriculture reports the average
15 small-scale farmer in Hawaii makes less than \$40,000 per year,
16 with losses of almost \$10,000 annually due to the high costs of
17 farming, including land and water. To accomplish the State's



1 2030 goal for local food production, there is an urgent need to
2 better support small farmers, including through economic
3 incentives.

4 The legislature finds that the department of agriculture
5 has pointed out that the State is most at risk for staple
6 starches. Taro is a hypoallergenic complex carbohydrate that
7 plays a critical role in the health of the family, particularly
8 Native Hawaiians. Yet, the cost of poi remains inaccessible to
9 families most in need of this important staple starch food.

10 Taro is one of Hawaii's highest yielding staple starch food
11 crops, producing ten thousand and twenty thousand pounds per
12 acre per annum under wet and dry cultivation, respectively;
13 however, taro is severely underproduced in the State. The 2017
14 census of agriculture reported two hundred seven farms and four
15 hundred ninety-five acres of taro in wetland and dryland
16 production. An estimated two hundred to three hundred
17 additional acres are unreported or in subsistence taro
18 cultivation. Annual reported production averages four million
19 tons; however, taro imports are estimated to exceed local
20 production in 2019.



1 Loi kalo, or wetland taro systems, are also recognized for
2 their potential to mitigate other impacts of climate change by
3 functioning as riparian buffers and soil capture basins.

4 Underground foods, such as taro, can often survive hurricane or
5 flood events and be harvested to address immediate food
6 shortages where the capacity to store and cook food can be
7 retained.

8 The legislature also finds that the taro security and
9 purity task force report to the 2010 legislature recommended a
10 number of supports to make taro farming affordable, including
11 access to land, water, mentoring, and economic incentives. Maui
12 and Kauai counties have enacted ordinances that exempt kuleana
13 lands in active taro production from county taxes. These
14 ordinances provide limited relief to some taro farms, but does
15 not cover all counties and are insufficient in encouraging young
16 farmers to offset typically low incomes experienced by taro
17 growers or competition from imports.

18 In 1901, the very first legislature of the Territory of
19 Hawaii recognized the role that taro played in feeding the
20 nation by passing S.B. No. 87 to encourage the cultivation of
21 taro by exempting taro and the cultivation of taro from all



1 state taxes. While S.B. No. 87 was never signed into law, its
2 intentions were clear in encouraging the production of more
3 taro.

4 In recognition of the critical importance of protecting and
5 perpetuating the traditional practice of taro farming as part of
6 Hawaii's cultural identity and its role in local food security,
7 there is a compelling interest in enacting a similar law in
8 present day. Additionally, an acreage and income cap is a more
9 effective threshold than a timeframe for a proposed tax
10 exemption where one of the goals is to increase overall local
11 taro production.

12 The purpose of this Act is to create stronger economic
13 incentives for new taro farmers, improve the livelihoods of
14 existing taro farmers, and reduce the cost of poi for local
15 families by exempting taro production from state income taxes.

16 SECTION 2. Chapter 235, Hawaii Revised Statutes, is
17 amended by adding a new section to be appropriately designated
18 and to read as follows:

19 "§235- Exemption; taro production. Except as provided
20 in sections 235-61 to 235-67 relating to withholding and
21 collection of tax at source, and section 235-2.4 relating to



1 "unrelated business taxable income", persons engaged in the
2 business of taro production shall not be taxable under this
3 chapter.

4 As it relates to persons engaged in the business of taro
5 production, the following shall not be taxable under this
6 chapter:

- 7 (1) Taro plants, taro corm, leaf, and huli for taro farms
8 or portions of farms dedicated to taro plants, taro
9 corm, leaf, and huli;
- 10 (2) Taro lands planted with taro, inclusive of fallow
11 rotation lands specifically for taro production of
12 less than or equal acreage to lands in active taro
13 production by each individual grower; and
- 14 (3) All mills, machinery, appliances, tools, and buildings
15 used exclusively in the care, cultivation, and
16 preparations of taro and poi for market;
- 17 provided that up to the first \$100,000 of gross income per
18 individual, farm, or poi mill shall not be taxable under this
19 chapter; provided further that this exclusion shall not apply if
20 at any time during the year the total amount of land for locally



1 grown taro in the State surpasses thirty thousand acres, as
2 determined by the department of land and natural resources."

3 SECTION 3. New statutory material is underscored.

4 SECTION 4. This Act, upon its approval, shall apply to
5 taxable years beginning after December 31, 2019.



S.B. NO. 3038
S.D. 1

Report Title:

Taro Production; Taxation; Exemptions

Description:

Exempts taro production from the state income tax. (SD1)

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