

Honolulu, Hawaii

, 2020

FEB 12

RE: H.B. No. 2277

H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Water, Land, & Hawaiian Affairs, to which was referred H.B. No. 2277 entitled:

"A BILL FOR AN ACT RELATING TO THE IMPORTANT AGRICULTURAL LAND QUALIFIED AGRICULTURAL COST TAX CREDIT,"

begs leave to report as follows:

The purpose of this measure is to extend the time that the Department of Agriculture may certify important agricultural lands qualified agricultural costs for the purposes of the important agricultural land qualified agricultural costs tax credit through the 2030 tax year.

Your Committee received testimony in support of this measure from the Department of Taxation, Office of Planning, Kamehameha Schools, Hawaii Farm Bureau, Land Use Research Foundation of Hawaii, Ulupono Initiative, and one individual. Your Committee received comments on this measure from the Department of Agriculture.

Your Committee finds the important agricultural land qualified agricultural cost tax credit supports food self-sufficiency by providing tax credits to qualified landowners and farmers to help offset costs related to establishing and sustaining viable agricultural operations. Your Committee further finds that the tax credit is set to expire for landowners and



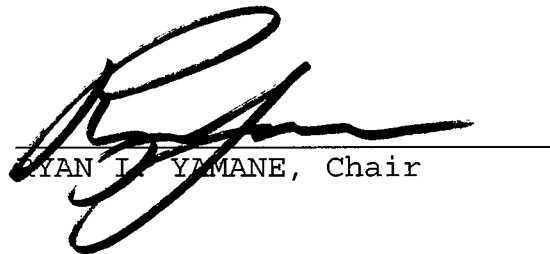
farmers with taxable years beginning after December 31, 2021. This measure extends the existing tax credit through the 2030 tax year.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2277, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2277, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Water, Land, &
Hawaiian Affairs,



RYAN I. YAMANE, Chair



