

Honolulu, Hawaii

FEB 10 , 2022

RE: H.B. No. 2466 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-First State Legislature Regular Session of 2022 State of Hawaii

Sir:

Your Committee on Agriculture, to which was referred H.B. No. 2466 entitled:

"A BILL FOR AN ACT RELATING TO TARO,"

begs leave to report as follows:

The purpose of this measure is to create stronger economic incentives for new taro farmers, improve the livelihoods of existing taro famers, and reduce the cost of poi for local residents by exempting from income tax certain taro cultivation and production activities.

Your Committee received testimony in support of this measure from the Hawaii State Aha Moku; Hawai'i Farm Bureau; Kipahulu Ohana, Inc.; Hawaii Alliance for Progressive Action; Growing Together Edible Landscaping; Hawaii Farmers Union United; and twelve individuals. Your Committee received comments on this measure from the Department of Agriculture, Department of Taxation, Department of Budget and Finance, and Tax Foundation of Hawaii.

Your Committee finds that tax incentives provide valuable financial support to farmers engaged in taro cultivation and production, thereby supporting the perpetuation of the traditional practice of taro farming and increased production of taro as a nutritious staple food.

2022-1136 HB2466 HD1 HSCR HMSO-1



Upon careful consideration, your Committee has amended this measure by:

- (1) Replacing the state income tax exemption for persons engaged in the business of taro cultivation and production of value-added taro products with a general excise tax exemption for gross proceeds and income received from the sale of any product resulting from the cultivation and production of unprocessed taro in the State;
- (2) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (3) 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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2466, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2466, H.D. 1, and be referred to your Committee on Economic Development.

Respectfully submitted on behalf of the members of the Committee on Agriculture,

MARK J. HASHEM, Chair

State of Hawaii House of Representatives The Thirty-first Legislature

HSCR 148-22

Record of Votes of the Committee on Agriculture

Bill/Resolution No.: HB 2+66	Committee Referral:	, FIN Date	2-04-21	022
☐ The committee is reconsidering its previ		<u> </u>		
The recommendation is to: Pass, u		Pass, with amendments		
AGR Members	Ayes	Ayes (WR)	Nays	Excused
1. HASHEM, Mark J. (C)				
2. PERRUSO, Amy A. (VC)		19 30 8 20 10		
3. LOWEN, Nicole E.				
4. MARTEN, Lisa				
5. MATAYOSHI, Scot Z.				
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6. TODD, Chris				
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7. TOKIOKA, James Kunane				
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8. MATSUMOTO, Lauren				
TOTAL (8)	5			3
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