

Honolulu, Hawaii
FEB 18 , 2022

RE: H.B. No. 2466
H.D. 2

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

Sir:

Your Committee on Economic Development, to which was referred
H.B. No. 2466, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TARO,"

begs leave to report as follows:

The purpose of this measure is to exempt the gross proceeds
or income received from the sale of any product resulting from the
cultivation and production of unprocessed taro in the State from
the general excise tax.

Your Committee received testimony in support of this measure
from the Department of Agriculture, Hawai'i Farm Bureau, Food+
Policy Internship, Hawai'i Alliance for Progressive Action, and
eight individuals. Your Committee received comments on this
measure from the Department of Taxation, Department of Budget and
Finance, Department of the Attorney General, and Tax Foundation of
Hawaii.

Your Committee finds that the high costs of farming is a
significant barrier to the expansion of taro production. Your
Committee further finds that the traditional practice of taro
farming is part of Hawaii's cultural identity and plays a
significant role in local food security, as taro is one of the
highest yielding staple starch food crops produced in the State.
This measure reduces the tax burden and creates strong economic



incentives for new taro farmers and improves the livelihoods of existing taro farmers, while also reducing the cost of taro products for local consumption.

Your Committee has amended this measure by:

- (1) Changing the effective date to October 18, 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 Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2466, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.B. No. 2466, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development,


SEAN QUINLAN, Chair



