STAND. COM. REP. NO. 557 -22

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

2022-1569 HB2466 HD2 HSCR HMSO



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:

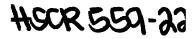
- (1) Changing the effective date to October 18, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

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

State of Hawaii House of Representatives The Thirty-first Legislature



Record of Votes of the Committee on Economic Development

Bill/Resolution No.:	Committee			Date:		
HB 2466 HD1		AGR, EC	D, FIN	2	110122	
☐ The committee is reconsidering its previous decision on the measure.						
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)						
ECD Members		Ayes	Ayes (W	R)	Nays	Excused
1. QUINLAN, Sean (C)		J				
2. HOLT, Daniel (VC)						
Z. HOLL, Damer (VC)	: 					
3. BELATTI, Della Au			mate situwe iliiima - daealidha	ana 1801 a 34 an 180	anna dh'an a shahala	anamatan kang Kabulatan Albahat
4. KOBAYASHI, Dale T.		✓				
5. ONISHI, Richard H.K.						
		<u> </u>				
6. SAYAMA, Jackson D.		<u> </u>	······································			
7. TAKAYAMA, Gregg						
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8. OKIMOTO, Val						
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TOTAL (8)	/	8	C		Ð	O
The recommendation is: Adopted If joint referral, did not support recommendation.						
Vice Chair's or designee's signature:						
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO						