

STAND. COM. REP. NO. 951

Honolulu, Hawaii

MAR 05 2021

RE: S.B. No. 341
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 341, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TARO,"

begs leave to report as follows:

The purpose and intent of this measure is to exclude up to \$100,000 of income derived from taro production from the state income tax.

Your Committee received written comments in support of this measure from the Office of Hawaiian Affairs; Office of the Mayor, County of Maui; Office of Climate Change, Sustainability and Resiliency, City and County of Honolulu; Department of Research and Development, County of Hawaii; Ai Pohaku; Aina Momona; Environmental Caucus of the Democratic Party of Hawaii; Hawaii Alliance for Progressive Action; Hawaii Farm Bureau; Hawaii Food Industry Association; Hawaii SEED; Hooulu Aina Farms; Living Pono Project; Malama Kauai; Our Revolution Hawaii; Supersistence; and numerous individuals.

Your Committee received written comments on this measure from the Department of Agriculture, Department of Taxation, Tax Foundation of Hawaii, and one individual.

Your Committee recognizes that taro farming is important to the State's cultural identify and food security. Your Committee



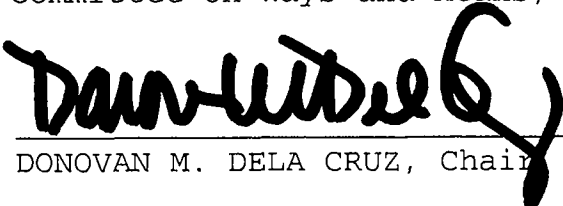
believes that reasonable tax relief facilitates the ability of farmers to reinvest in their farms and provides incentives for future generations to enter into taro farming.

Your Committee has amended this measure by:

- (1) Clarifying that the tax relief provided is an exclusion from the state income tax of a portion of a qualified taxpayer's income derived from taro production;
- (2) Clarifying the reference to qualified taxpayers who are eligible for an exclusion;
- (3) Changing from \$100,000 to an unspecified amount the amount that is excluded from the state income tax;
- (4) Simplifying the definitions of "qualified taxpayer", "taro corm", and "taro huli";
- (5) Deleting the definition of "poi mill" as it is no longer used in the measure;
- (6) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (7) Making technical nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 341, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 341, S.D. 2.

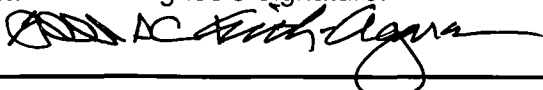
Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


DONOVAN M. DELA CRUZ, Chair



The Senate
Thirty-First Legislature
State of Hawai'i

**Record of Votes
Committee on Ways and Means
WAM**

Bill / Resolution No.:* SB 341, SD 1	Committee Referral: AEN, WAM	Date: 3/2/21		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended <input checked="checked" type="checkbox"/> Pass, with amendments <input type="checkbox"/> Hold <input type="checkbox"/> Recommit 2312 2311 2310 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
ENGLISH, J. Kalani	X			
INOUYE, Lorraine R.	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
MORIWAKI, Sharon Y.	X			
SHIMABUKURO, Maile S.L.	X			
TANIGUCHI, Brian T.	X			
WAKAI, Glenn	X			
FEVELLA, Kurt	X			
TOTAL	11			
Recommendation: <input checked="checked" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes