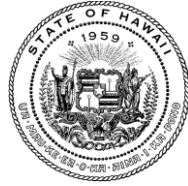


DAVID Y. IGE
GOVERNOR

JOSH GREEN M.D.
LT. GOVERNOR



ISAAC W. CHOY
DIRECTOR OF TAXATION

STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809
PHONE NO: (808) 587-1540
FAX NO: (808) 587-1560

To: The Honorable Sylvia Luke, Chair;
The Honorable Kyle T. Yamashita, Vice Chair;
and Members of the House Committee on Finance

From: Isaac W. Choy, Director
Department of Taxation

Date: Monday, February 28, 2022
Time: 11:00 A.M.
Place: Via Video Conference, State Capitol

Re: H.B. 2466, H.D. 2, Relating to Taro

The Department of Taxation (Department) is opposed to H.B. 2466, H.D. 2, in its current form, and offers the following comments for the Committee's consideration.

H.B. 2466, H.D. 2, adds a new section to chapter 237, Hawaii Revised Statutes (HRS), establishing a new general excise tax (GET) exemption for "all of the gross proceeds or income received from the sale of any product resulting from the cultivation and production of unprocessed taro in the State." The measure has a defective effective date of October 18, 2050, and applies to taxable years beginning after December 31, 2021.

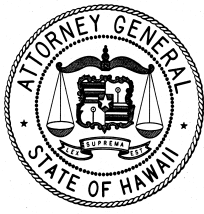
The Department notes that the House Committee on Agriculture amended the original version of this measure to defect the effective date and create a new general excise tax exemption for taro instead of the originally-proposed income tax credit. The House Committee on Economic Development further defected the effective date from July 1, 2050, to October 18, 2050.

First, the Department notes that, as currently written, the GET exemption would apply to any seller of qualifying taro products, including supermarkets and big box stores. This does not appear to be consistent with the intent of the measure, thus, the Department strongly suggests limiting the application of the exemption to the person who cultivated the taro.

Second, the Department notes that requiring unprocessed taro to be cultivated and produced *in the State* in order to qualify for the new exemption may create an issue under the Commerce Clause of the U.S. Constitution.

Finally, if the Committee wishes to insert a functional effective date and advance this measure, the Department respectfully requests that the new GET exemption be made effective on January 1, 2023, rather than for taxable years beginning after December 31, 2021. Using a specific date instead of just a taxable year will ensure that no taxpayer has a competitive advantage based on their tax year and will allow the Department sufficient time to make the form and system changes necessary to properly administer this exemption.

Thank you for the opportunity to testify on this measure.



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
THIRTY-FIRST LEGISLATURE, 2022**

ON THE FOLLOWING MEASURE:

H.B. NO. 2466, H.D. 2, RELATING TO TARO.

BEFORE THE:

HOUSE COMMITTEE ON FINANCE

DATE: Monday, February 28, 2022 **TIME:** 11:00 a.m.

LOCATION: State Capitol, Room 308, Via Videoconference

TESTIFIER(S): Holly T. Shikada, Attorney General, or
Nathan S. C. Chee, Deputy Attorney General

Chair Luke and Members of the Committee:

The Department of the Attorney General has concerns regarding this bill and provides the following comments.

The stated purpose of this bill "is to create stronger economic incentives for new taro farmers, improve the livelihoods of existing taro farmers, and reduce the cost of poi for local residents by exempting the gross proceeds or income from the sale of any product resulting from the cultivation and production of unprocessed taro in the State from the general excise tax" (page 4, lines 14-20). This bill accomplishes its stated purpose by adding a new section to chapter 237, Hawaii Revised Statutes, that exempts gross proceeds or income received "from the sale of any product resulting from the cultivation and production of unprocessed taro in the State" (page 5, lines 5-9).

This bill could be subject to challenge as a violation of the Commerce Clause of the United States Constitution.

The Commerce Clause provides that Congress shall have the power to "regulate Commerce . . . among the several States." U.S. Const. art I, § 8, cl. 3. "Though phrased as a grant of regulatory power to Congress, the clause has long been understood to have a 'negative' aspect that denies the States the power unjustifiably to discriminate against or burden the interstate flow of articles in commerce." *Oregon Waste Systems, Inc. v. Dep't of Env'tl. Quality*, 511 U.S. 93, 98, 114 S. Ct. 1345, 1349 (1994). This implicit constitutional restriction upon the states has become known as the "negative" or "dormant" Commerce Clause doctrine. See *Rocky Mountain Farmers*

Union v. Corey, 730 F.3d 1070, 1087 (9th Cir. 2013). The doctrine prohibits states from "advancing their own commercial interests by curtailing the movement of articles of commerce, either into or out of the state," *Fort Gratiot Sanitary Landfill, Inc. v. Michigan Dep't of Natural Resources*, 504 U.S. 353, 112 S. Ct. 2019 (1992) (internal brackets omitted), upon concern about "economic protectionism," i.e., "regulatory measures designed to benefit in-state economic interests by burdening out-of-state competitors." *Department of Revenue of Ky. v. Davis*, 553 U.S. 328, 337, 128 S. Ct. 1801, 1808 (2008). For example, in *Bacchus Imports Ltd. v. Dias*, 468 U.S. 263 (1984), the United States Supreme Court struck down an exemption from the liquor tax for locally produced alcoholic beverages upon finding that the exemption bestowed a commercial advantage on locally produced products.

Here, a general excise tax exemption would be given for products made from locally grown taro but the exemption would not be available to products made with taro grown out-of-state. Similar to the situation in *Bacchus*, the proposed general excise tax exemption may be challenged as unconstitutional because it bestows a commercial advantage on locally produced products in the form of lower taxes, while burdening out-of-state competitors who would not be eligible for the same exemption if their taro was grown out-of-state.

Based on the foregoing, we respectfully ask that these concerns be addressed. One solution would be to remove the wording "in the State" (page 5, line 9). This amendment would address the possible Commerce Clause challenge by allowing the general excise tax exemption for both locally and out-of-state grown taro products.

Thank you for the opportunity to offer these comments.

DAVID Y. IGE
Governor

JOSH GREEN
Lt. Governor



PHYLLIS SHIMABUKURO-GEISER
Chairperson, Board of Agriculture

MORRIS M. ATTA
Deputy to the Chairperson

State of Hawaii
DEPARTMENT OF AGRICULTURE
1428 South King Street
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**TESTIMONY OF PHYLLIS SHIMABUKURO-GEISER
CHAIRPERSON, BOARD OF AGRICULTURE**

BEFORE THE HOUSE COMMITTEE ON FINANCE

**FEBRUARY 28, 2022
11:00 A.M.
VIA VIDEOCONFERENCE**

**HOUSE BILL NO. 2466 HD2
RELATING TO TARO**

Chairperson Luke and Members of the Committee:

Thank you for the opportunity to present testimony on House Bill 2466 HD2, which amends Chapter 237, and establishes an exemption from state general excise tax (GET) for the local cultivation and production of unprocessed taro.

The Department supports the intent of this measure to reduce the tax burden and create stronger economic incentives for new taro farmers, improve the livelihoods of existing taro farmers, and reduce the cost of poi for local consumption.

We believe the high costs of farming is a significant barrier to an expansion in taro production. Nevertheless, local taro farmers have shown their resiliency by expanding taro cultivation statewide to 805 acres in 2020, up 32 per cent from the 612 acres in 2015.

The Department appreciates all efforts to increase farmers' income from the sale of any product resulting from the cultivation and production of unprocessed taro in the state but defers to the Department of Taxation with respect to the proposed amendments in Chapter 237.

Thank you for the opportunity to testify on this measure.



DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

GLORIA CHANG
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY
TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON FINANCE
ON
HOUSE BILL NO. 2466, H.D. 2

February 28, 2022
11:00 a.m.
Room 308 and Videoconference

RELATING TO TARO

The Department of Budget and Finance (B&F) offers comments on this bill.

House Bill No. 2466, H.D. 2, adds a new section to Chapter 237, HRS, to establish a general excise tax exemption for all gross proceeds or income received from the sale of any product resulting from the cultivation and production of unprocessed taro in the State.

B&F notes that the federal American Rescue Plan (ARP) Act restricts states from using ARP Coronavirus State Fiscal Recovery Funds (CSFRF) to directly or indirectly offset a reduction in net tax revenue resulting from a change in law, regulation, or administrative interpretation beginning on March 3, 2021, through the last day of the fiscal year in which the CSFRF have been spent. If a state cuts taxes during this period, it must demonstrate how it paid for the tax cuts from sources other than the CSFRF, such as:

- By enacting policies to raise other sources of revenue;
- By cutting spending; or

- Through higher revenue due to economic growth.

If the CSFRF provided have been used to offset tax cuts, the amount used for this purpose must be repaid to the U.S. Treasury.

The U.S. Department of Treasury has issued rules governing how this restriction is to be administered. B&F will be working with the money committees of the Legislature to ensure that the State of Hawai'i complies with this ARP restriction.

Thank you for your consideration of our comments.



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e-mail info@hfbf.org; www.hfbf.org

February 28, 2022

HEARING BEFORE THE
HOUSE COMMITTEE ON FINANCE

TESTIMONY ON HB 2466, HD2
RELATING TO TARO

Conference Room 309 & Videoconference
11:00 AM

Aloha Chair Luke, Vice-Chair Yamashita, and Members of the Committee:

I am Brian Miyamoto, Executive Director of the Hawai'i Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,800 farm family members statewide and serves as Hawai'i's voice of agriculture to protect, advocate and advance the social, economic, and educational interests of our diverse agricultural community.

The Hawai'i Farm Bureau supports HB 2466, HD2, which exempts 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.

The Hawai'i Farm Bureau recognizes taro's importance in Hawai'i's cultural identity and role in local food security. This measure is aimed to assist taro farmers in their efforts to increase their production and viability. We support this effort to improve the taro farmer's ability to not only sustain themselves but also to expand their long-term success.

HFB supports any initiative that reduces the cost of production so that locally produced goods can compete with imported products, strengthening our local economy.

Hawai'i Farm Bureau Policy states: "State tax and monetary policies should be designed to encourage private initiative to help stabilize farm economics in the State of Hawai'i, to promote employment and economic growth, and to distribute the tax burden equitably. Further such policy should be used by the state, when appropriate, to encourage agricultural growth and expansion."

HFB supports HB 2466, HD2 which is an investment in Hawai'i's taro farmers.

Thank you for this opportunity to testify in support of this measure.

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 305

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: GENERAL EXCISE, Exemption for Income Derived from Unprocessed Taro

BILL NUMBER: HB 2466 HD 2

INTRODUCED BY: House Committee on Economic Development

EXECUTIVE SUMMARY: Exempts 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. Effective 10/18/2050.

SYNOPSIS: Adds a new section to chapter 237, HRS, providing an exemption for all gross proceeds or income received from the sale of any product resulting from the cultivation and production of unprocessed taro in the State.

EFFECTIVE DATE: October 18, 2050; applicable to taxable years beginning after December 31, 2021.

STAFF COMMENTS: This measure proposes incentives under the general excise tax to encourage the production of taro in the state.

The use of the tax system to provide financial assistance in the form of preferential tax treatment under the income tax is an inefficient use of the tax system. This preferential treatment proposed in this measure amounts to nothing more than a subsidy as there is no obvious undue burden of taxes. If this measure is enacted, it will provide one industry with preferential treatment. That is bad tax policy.

Giving tax breaks to one select group of taxpayers comes at the expense of all other taxpayers. Rather than singling out a particular area for tax relief, concurrent efforts must be made to improve Hawaii's business climate to enhance the economic prospects for all businesses.

If lawmakers want to subsidize this specific project, then an appropriation of funds is far more accountable as taxpayers will then know who is to receive the subsidy, how much is being spent and then they can judge whether or not this is an appropriate use of state taxpayer dollars.

As a technical matter, the exemption language in the current bill draft is extremely vague and should be tightened up considerably if this bill is to move forward.

There is also a constitutional issue. The bill applies the exemption to cultivation and production of unprocessed taro in the State. This restriction is unconstitutional under the Commerce Clause of the Constitution because the same preferential tax treatment must be allowed for competing products from other States. See *In re Hawaiian Flour Mills, Inc.*, 76 Haw. 1, 868 P.2d 419 (1994); *Bacchus Imports, Inc. v. Dias*, 468 U.S. 263 (1984); Hawaii Tax Information Release No. 93-4. In *Hawaiian Flour Mills*, the Tax Appeal Court determined that a general excise tax exclusion for locally grown, raised, or caught agricultural, meat, or fish products for

consumption out-of-state violated the Commerce Clause of the United States Constitution. The Court found that appellant Hawaiian Flour Mills, Inc. was entitled to the exemption from the general excise tax on its sales of fresh food products to be consumed out-of-State by persons engaged in interstate or foreign commerce, whether or not the fresh food products were locally grown, raised, or caught.

Digested: 2/26/2022



House Committee on Finance

Hawai'i Alliance for Progressive Action (HAPA) Supports: HB2466 HD2

Monday, February 28th, 2022 11:00 a.m., Conference Room 308

Aloha Chair Luke, Vice Chair Yamashita and Members of the Committee,

HAPA is in strong support of HB2466 HD2 which establishes an exemption from state income tax for the first \$100,000 of income derived from taro, taro products, and land used to produce taro if the total amount of land used to cultivate taro in Hawai'i does not exceed thirty thousand acres at any point in the year.

HB2466 HD2 will provide relief to taro growers from the heavy burden of increasing land tax rates. Tax relief of this nature helps create resources that enable farms to reinvest in their farm and offer more opportunities for the next generation of taro farmers.

This is an important step towards supporting native traditional food ways, farming and food security for Hawai'i. We need to do everything we can to support expansion of farming and particularly the cultivation of taro which is so culturally significant and such an important part of our landscape, history, food security and community.

HB2466 HD2 is a great way to support a native cultural practice and Hawai'i's staple food. Supporting taro farming and assisting farmers will also help to keep native Hawaiian traditional and customary cultural practices alive.

Taro is a valued landscape and is recognized as the State Plant. Taro farmers need and deserve support to ensure taro farming continues to grow and expand into the future. This measure helps to incentivize farmers to grow taro, one of the healthiest staple starch foods available.

Taro lands provide ecological and environmental buffers against flooding. Taro lands are intricately connected to the protection of our riparian areas, coastal wetlands, and fishponds. Taro lands are celebrated as important and sacred places in Hawaiian traditions and stories and often farmed by families for generations.

HB2466 HD2 will create economic incentives for taro farmers' and could reduce the cost of poi for local families. In doing so, this measure could help make taro more widely accessible and enable Hawaiian families to reconnect with this culturally important food source.

Unfortunately, taro farms are typically rural and located on some of the most beautiful lands in our state. As such they have become desirable to the real estate market. Every

year, more and more we see more multi million-dollar homes encroaching on taro growing communities.

The result has been significant increases in tax assessments for taro lands from the counties, as well as excessive lease rates from DLNR. If a taro farmer can't afford to pay the taxes for their property and live on their own lands there are few places left for them to continue to farm.

This is a very concerning and important issue for us to address this legislative session, not just for the above reasons, but also because taro lands are some of our most productive agricultural lands and they have never been needed so much. This past year the COVID-19 crisis has reminded us all how important it is to urgently grow our food security. By encouraging more people to grow and produce taro we can help increase local food self-sufficiency and help Hawai'i reach its food security goals.

By exempting taro production from state income taxes HB2466 will improve the economic landscape for taro farmers' as well as their ability to overcome financial barriers and setbacks.

We strongly support HB2466 and believe it will reduce the cost of production and help locally produced goods compete with imported products, which in turn helps to strengthen our local economy.

Thank you for your consideration.

Respectfully,



Anne Frederick
Executive Director

[1] Sustainable America: Rogers, Nicole (2013) *What is a Food Hub*
<https://sustainableamerica.org/blog/what-is-a-food-hub/>

[2] SDSU Extension Community Vitality Field Specialist: Blachford, Sierra under direction of O'Neill, Kari & Zdorovtsov, Chris; *The Benefits of Food Hubs* <https://extension.sdstate.edu/benefits-food-hubs>

[3] MSU Center for Regional Food Systems: Weiss, Andrea (2020) *Equity and collaboration for resilient local food systems across the U.S.*
<https://www.canr.msu.edu/news/equity-and-collaboration-for-resilient-local-food-systems-across-the-us>

HB-2466-HD-2

Submitted on: 2/27/2022 12:02:14 PM

Testimony for FIN on 2/28/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Thomas Brandt	Individual	Support	No

Comments:

Support!

#fixourfoodsystem

Aloha;

I am testifying as taro farmer, consumer of kalo and poi, former member of the Taro Security and Purity Task Force, and long-time member of 'Onipa'a Nā Hui Kalo, a recognized statewide organization of taro growers, in strong support for HB2466 Relating to Taro.

Notwithstanding the Governor's call to double local food production by 2030, the fact that taro is our most culturally significant crop and our healthiest staple starch, *there are strong economic, cultural, and environmental justifications for this request for tax exemption for taro farmers* and their raw and value-added products.

Taro farming is an essential business in Hawai'i. As with every business, COVID has cut deeply into the commercial livelihoods of taro farmers. Most regular orders were cancelled in 2020-21 leaving growers with very few customers for months. At the same time, taro farmers stepped up to the plate at unprecedented levels to feed their communities on all islands by delivering poi and kalo to kupuna and families in need, to chefs for meal programs, and to food banks week after week. You won't find these stories in the paper when you read about COVID. And, while the pandemic has set planting schedules back two years for some commercial growers (taro is a 12-month crop), hundreds of subsistence growers and families are planting kalo in a move towards food security. Some of them may become the next generation of commercial taro farmers – if they can afford to.

As taro farmers, we often consider ourselves waiwai (wealthy) in many aspects of our lives. That mindset keeps us going and allows us to support our families and our communities year in and year out. Taro connects us to each other. Yet, over the last few decades, our ability to make a sustainable and dignified livelihood has become more challenging with the increasing cost of land and leases, farm machinery, inputs and new hurdles for bringing products to market. Taro farmers, and small farmers in general in Hawai'i, make on average less than \$40,000/year (many much less) and report income losses of almost \$10,000 annually (pre-COVID). According to HUD this is rated as "very low income" (40% or less of median income) at a time when HUD has set low income (80% below median income) for Hawai'i at more than \$86-88,000/yr.

Taro lands are celebrated as wahi pana (legendary places) in mo'olelo (traditions and stories) and oli (chant), and often farmed generation to generation building memory upon memory. They are the lands that protect our riparian areas, our coastal wetlands, and feed our fishponds. They contribute to our food security and are teaching our children how to reconnect to healthy 'ai (food), to 'āina (land) and aloha 'āina (stewardship). Taro farms are also typically rural and located on some of the most beautiful lands in our state. As such they have become desirable to the real estate market. *This is a deeply concerning issue*, not just for the above reasons, but also because taro lands, provided they have water, are known to be some of our most productive agricultural (food) lands; and taro systems, including traditional 'auwai (ditches), have lacked adequate protections from development for decades.

Every year, we see more million dollar homes sprouting up in and encroaching on taro growing communities. The result has been significant increases in land valuations and tax assessments for taro lands from the counties, as well as excessive lease rates from DLNR for taro lands. There is no law protecting these culturally important agricultural lands from being assessed based on adjacent property values. There are few places left for us to farm affordably. All this adds up to the need for HB2466.

Taro is recognized as the State Plant (Act 71) for its deepest connections to Hawaiian culture and a source of their mo'okū'auhau (genealogies). It is essential that we support the survival and continuity of taro farming not just for these purposes, but for all that it provides.

HB2466 will provide a portion of relief to taro growers from the heavy burden of increasing tax rates. Perhaps 600 acres are currently in wet and dryland taro cultivation statewide. Thirty thousand acres or just 0.428 percent of all lands in the state is an estimate of lands that were in taro production at the turn of the 20th century when Hawai'i was both food self-sufficient and food secure. This coincides with an estimate of acres of taro lands needed to contribute a daily serving of taro as part of a healthy diet to consumers in Hawai'i (Reppun 2009). We need more taro growers to feed our communities. This bill will help keep taro lands in production, encourage new growers, and protect our taro farming lifestyle. Relief from income taxes can be enough to fix a tractor, a truck to transport taro to market, pay for fuel, medical bills or health insurance. Everything counts when you are in a very low income bracket.

HB2466 also corrects and simplifies existing tax exemptions for kuleana taro lands in some counties by recognizing the common sense of including fallow land rotations as a critical farm strategy for improving soil health and taro yields, while preventing abuse by limiting the amount of fallow land covered by the exemption to equal or less than acreage in taro production. The bill also recognizes that, towards the goal of food security, all taro growers are a part of the solution, not just those on kuleana lands.

The bill's threshold of the first \$100,000 gross income per taro farmer prevents abuse of the exemption. Comparatively, the tax break for the film industry was raised to \$50 million in 2019 and Hawai'i Enterprise Zone businesses may qualify for up to a 100 percent GET exemption. If there is any industry and livelihood that deserves tax relief more than any other in Hawai'i, it is taro. In addition, a mainland company doing business in Hawaii is required to pay GET when they earn gross receipts of \$100,000. Why should a local farmer receive a lower cap then, when they are worth so much more to our well-being in Hawaii.

The price of poi for consumers is tied to the costs of farming, milling packaging and transport. Milled poi averages \$9-11 per pound retail, making this healthy food inaccessible to those who need it most. While some families have turned to buying taro directly from farmers and pounding their own poi, many still do not have that option. Providing tax relief to taro farmers may help lower the price of poi and/or make more kalo available directly to some consumers.

As bad as it is now, while the revenue impacts of COVID are surely immediate, it is, in the big picture, a short term fiscal challenge. State revenue levels are predicted to return to 2019 forecast levels within four years (per the Council on Revenues Letter to the Governor 1/8/2021), indicating the exemption proposed by HB2466 will have negligible impact.

Returning to the intentions of the original 1901 Hawaiian legislature, and the importance of encouraging greater taro production to feed the people of these islands, HB2466 is both reasonable and doable. Collectively, we can improve food security for Hawai'i and this bill is a good step towards that goal. I encourage committee members to look the big picture, as well as the survival of our cultural livelihoods, and support HB2466.

Mahalo,
Penny Levin

Aloha;

I am testifying as taro farmer, consumer of kalo and poi, former member of the Taro Security and Purity Task Force, and long-time member of 'Onipa'a Nā Hui Kalo, a recognized statewide organization of taro growers, in strong support for HB2466 Relating to Taro.

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HB2466 also corrects and simplifies existing tax exemptions for kuleana taro lands in some counties by recognizing the common sense of including fallow land rotations as a critical farm strategy for improving soil health and taro yields, while preventing abuse by limiting the amount of fallow land covered by the exemption to equal or less than acreage in taro production. The bill also recognizes that, towards the goal of food security, all taro growers are a part of the solution, not just those on kuleana lands.

The bill's threshold of the first \$100,000 gross income per taro farmer prevents abuse of the exemption. Comparatively, the tax break for the film industry was raised to \$50 million in 2019 and Hawai'i Enterprise Zone businesses may qualify for up to a 100 percent GET exemption. If there is any industry and livelihood that deserves tax relief more than any other in Hawai'i, it is taro. In addition, a mainland company doing business in Hawaii is required to pay GET when they earn gross receipts of \$100,000. Why should a local farmer receive a lower cap then, when they are worth so much more to our well-being in Hawaii.

The price of poi for consumers is tied to the costs of farming, milling packaging and transport. Milled poi averages \$9-11 per pound retail, making this healthy food inaccessible to those who need it most. While some families have turned to buying taro directly from farmers and pounding their own poi, many still do not have that option. Providing tax relief to taro farmers may help lower the price of poi and/or make more kalo available directly to some consumers.

As bad as it is now, while the revenue impacts of COVID are surely immediate, it is, in the big picture, a short term fiscal challenge. State revenue levels are predicted to return to 2019 forecast levels within four years (per the Council on Revenues Letter to the Governor 1/8/2021), indicating the exemption proposed by HB2466 will have negligible impact.

Returning to the intentions of the original 1901 Hawaiian legislature, and the importance of encouraging greater taro production to feed the people of these islands, HB2466 is both reasonable and doable. Collectively, we can improve food security for Hawai'i and this bill is a good step towards that goal. I encourage committee members to look the big picture, as well as the survival of our cultural livelihoods, and support HB2466.

Mahalo,
Penny Levin