

STAND. COM. REP. NO. 1837

Honolulu, Hawaii

APR 06 2023

RE: H.B. No. 947
H.D. 1
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 947, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

begs leave to report as follows:

The purpose and intent of this measure is to establish a tax credit for food manufacturers.

Your Committee received written comments in support of this measure from the Hawaii Food Manufacturers Association, Hawaii Food Industry Association, Ulupono Initiative, Hawaii Farm Bureau, Maui Chamber of Commerce, and two individuals.

Your Committee received written comments on this measure from the Department of the Attorney General, Department of Agriculture, Department of Taxation, Hawaii Technology Development Corporation, and Tax Foundation of Hawaii.

Your Committee recognizes that high production costs and narrow profit margins impose financial burdens on farmers and food producers and deter the creation and distribution of food products. Accordingly, your Committee finds that a tax credit for food manufacturers may eventually lead to increased revenues for farmers and ranchers, promote agriculture, and ensure food security.



Your Committee has amended this measure by:

- (1) Providing that no taxpayer that claims the food manufacturer tax credit shall qualify for a grant under the manufacturing development program under section 206M-15.1, Hawaii Revised Statutes, for the same expenses;
- (2) Deleting the definitions of "local value-added processed, agricultural, or food product" and "primary agricultural product";
- (3) Amending the definition of "qualified taxpayer" by deleting the word "local"; and
- (4) 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 H.B. No. 947, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 947, H.D. 1, 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-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
HB947, HD1, SD1	AEN, WAM	4/5/23		
<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 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	✓			
KEITH-AGARAN, Gilbert S.C. (VC)				✓
AQUINO, Henry J.C.	✓			
DECOITE, Lynn	✓			
INOUYE, Lorraine R.	✓			
KANUHA, Dru Mamo	✓			
KIDANI, Michelle N.	✓			
KIM, Donna Mercado	✓			
LEE, Chris	✓			
MORIWAKI, Sharon Y.				✓
SHIMABUKURO, Maile S.L.				✓
WAKAI, Glenn	✓			
FEVELLA, Kurt	✓			
TOTAL	10			3
Recommendation: <input 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