

STAND. COM. REP. NO. **2629**

Honolulu, Hawaii

FEB 13 2020

RE: S.B. No. 3090
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Agriculture and Environment, to which was referred S.B. No. 3090 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 an agricultural production tax credit.

Your Committee received testimony in support of this measure from the Hawaii Food Industry Association; Pono Hawai'i Initiative; Ponoholo Ranch Limited; Kalona Brand Company LLC; North Shore Economic Vitality Partnership; Hawai'i Farm Bureau, Hawaii Cattlemen's Council, Inc.; and three individuals. Your Committee received comments on this measure from the Department of Taxation, Department of Agriculture,

Your Committee finds that the State has a goal to double local food production by 2030. While the State currently imports eighty-five to ninety percent of its food, fuel, and fiber, agriculture was once Hawaii's number one industry, creating agricultural abundance, peace, and prosperity for its people. This measure will help Hawaii to become a world leader in food security, self-sufficiency, and sustainability by providing incentives for agricultural production.

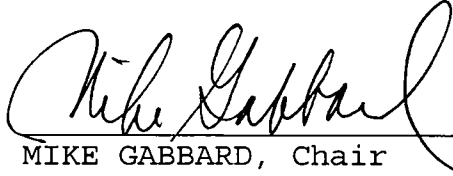


Your Committee has heard the testimony of the Department of Taxation expressing concerns that "qualified taxpayer" and "qualified expenses" should be defined to specify who, and what expenses, qualify for the tax credit. Your Committee finds that this issue raises concerns that merit further consideration and requests that your Committee on Ways and Means further examine those issues and concerns raised by the testifiers on this measure.

Your Committee has amended this measure by making it applicable to taxable years beginning after December 31, 2020.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3090, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3090, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Agriculture and
Environment,



MIKE GABBARD, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Agriculture and Environment
AEN

Bill / Resolution No.:* <i>SB 3090</i>	Committee Referral: <i>AEN, WAM</i>	Date: <i>02/10/2020</i>		
<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
GABBARD, Mike (C)	<i>X</i>			
RUDERMAN, Russell E. (VC)	<i>X</i>			
RHOADS, Karl				<i>X</i>
THIELEN, Laura H.	<i>X</i>			
FEVELLA, Kurt				<i>X</i>
TOTAL	<i>3</i>	<i>0</i>	<i>0</i>	<i>2</i>
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