

Honolulu, Hawaii

FEB 13 2025

RE: S.B. No. 1468  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Third State Legislature  
Regular Session of 2025  
State of Hawaii

Sir:

Your Committee on Agriculture and Environment, to which was referred S.B. No. 1468 entitled:

"A BILL FOR AN ACT RELATING TO GENERAL EXCISE TAX  
EXEMPTIONS,"

begs leave to report as follows:

The purpose and intent of this measure is to repeal, on January 1, 2026, the general excise tax exemptions for amounts received by:

- (1) Independent sugar cane farmers; and
- (2) Contractors of the federal Patient-Centered Community Care Program established by the United States Department of Veterans Affairs pursuant to title 38 United States Code section 8153.

Your Committee received testimony in support of this measure from the Department of Taxation.

Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that good tax policy dictates that taxes should be simple, equitable, and transparent. Your Committee notes that because so few taxpayers utilize the general excise tax



exemption for independent sugar cane farmers, aggregated data cannot be released for risk of identifying the claimants. Likewise, no contractors of the federal Patient-Centered Community Care Program have claimed the exemption in the past two years, indicating that it has no benefit to the public. This administration measure supports tax equity and government efficiency by repealing unused or under-utilized exemptions.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

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. 1468, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1468, 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



