A BILL FOR AN ACT

RELATING TO IMPORTANT AGRICULTURAL LANDS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1	PART I
2	SECTION 1. Chapter 235, Hawaii Revised Statutes, is
3	amended by adding a new section to be appropriately designated
4	and to read as follows:
5	"§235- Important agricultural lands tax credit. (a)
6	There shall be allowed to each taxpayer, subject to the taxes
7	imposed by this chapter, an important agricultural lands real
8	property tax credit that shall be deductible from the taxpayer's
9	net income tax liability, if any, imposed by this chapter for
10	the taxable year in which the credit is properly claimed.
11	(b) The amount of the credit shall be equal to one hundred
12	per cent of the actual amount of county real property taxes paid
13	by the taxpayer during the taxable year in which real property
14	tax was assessed on lands identified and designated as important
15	agricultural lands pursuant to part III, chapter 205.
16	In the case of a partnership, S corporation, estate, or
17	trust, the amount upon which the credit is computed shall be

- 1 determined at the entity level. Distribution and share of
- 2 credit shall be determined by rule.
- 3 (c) The tax credit shall be allowed only for the entity
- 4 incurring the actual cost of the real property tax. If the real
- 5 property tax is part of the lease rent and not otherwise
- 6 specified in the lease agreement, the lessor shall provide the
- 7 lessee with the amount of the real property tax included as part
- 8 of the lease rent upon request.
- 9 (d) The total aggregate credits claimed for each taxable
- 10 year shall not exceed \$10,000,000.
- 11 (e) If the classification of the important agricultural
- 12 lands subject to the credit is redesignated, the credit shall no
- 13 longer be available.
- 14 (f) If the credit under this section exceeds the
- 15 taxpayer's tax payments due for the taxable year, the excess of
- 16 the credits over tax payments due shall be refunded to the
- 17 taxpayer; provided that the credit properly claimed by the
- 18 taxpayer who has no income tax liability shall be paid to the
- 19 taxpayer; and provided further that no refunds or payments on
- 20 account of the credits allowed by this section shall be made for
- 21 amounts less than \$1.

1	All claims for a credit under this section shall be filed
2	on or before the end of the twelfth month following the close of
3	the taxable year for which the credit may be claimed. Failure
4	to comply with the foregoing provision shall constitute a waiver
5	of the right to claim the credit.
6	(g) The director of taxation shall prepare forms that may
7	be necessary to claim a credit under this section. The director
8	may also require the taxpayer to furnish information to
9	ascertain the validity of the claim for credit made under this
10	section by rule pursuant to chapter 91.
11	(h) Taxpayers claiming the credit under this section must
12	provide prescribed information to the department of agriculture
13	on an annual basis, upon request, that will enable a
14	quantitative and qualitative assessment of the impact of the tax
15	credit to be determined. The assessment shall be available to
16	the public.
17	The department of agriculture shall determine on an annual
18	basis if the important agricultural land subject to the credit
19	is in productive agricultural use based on a ten year farm plan
20	submitted to and approved by the department."
21	PART II

1	SECTION 2. Chapter 205, part III, Hawaii	Revised Statutes	,
2	is amended by adding a new section to be approp	riately	
3	designated and to read as follows:		
4	"§205- Important agricultural land; res	idential housing	•
5	A landowner of lands qualifying under section 2	05-44 may	
6	develop, construct, and maintain residential dw	elling units for	
7	farmers, employees, and their families; provide	d that:	
8	(1) The farmers' dwelling units shall be	used exclusively	-
9	by farmers and their immediate family	members who	
10	actively and currently farm on the de	signated	
11	important agricultural land upon whic	h the dwelling i	. <u>S</u>
12	situated; provided that the immediate	family members	
13	of a farmer may live in separate dwel	ling units	
14	situated on the same designated land	as the farmer's	
15	family's dwelling unit;		
16	(2) The employee dwelling units shall be	used exclusively	r
17	by employees and their immediate fami	ly members who	
18	actively and currently work on the de	signated	
19	important agricultural land upon which	h the dwelling i	. S
20	situated; provided that the immediate	family members	
21	of the employee shall not live in sep	arate dwelling	
22	units and shall live with the employe	e <u>;</u>	

1	(3)	The total land area upon which the combined total of	
2		farmer and employee dwelling units and all	
3		appurtenances are situated shall not occupy more than	
4		twenty per cent of the total important agricultural	
5		land area controlled by the farmer or the employee's	
6		<pre>employer;</pre>	
7	(4)	The farmers' and employee dwelling units meet all	
8		applicable building code requirements;	
9	(5)	Notwithstanding section 205-4.5(a)(12), the landowner	
10		shall not plan or develop a residential subdivision on	
11		the designated important agricultural land; and	
12	<u>(6)</u>	The plans for farmers' and employee dwelling units	
13		shall be supported by agricultural plans that are	
14		approved by the department of agriculture."	
15	SECT	ION 3. New statutory material is underscored.	
16	SECT	ION 4. This Act shall take effect on July 1, 2050;	
17	provided that section 1 shall apply to taxable years beginning		
18	after December 31, 2008.		

Report Title:

Important Agricultural Lands; Real Property Tax Credit; Worker Housing

Description:

Establishes a reimbursable real property tax credit for 100% of the actual amount of real property tax paid by taxpayers real property tax assessed on lands designated as important agricultural lands. Provides farmer and employee housing on lands designated as important agricultural lands. (SD2)