Honolulu, Hawaii

FEB 1 1 2013

RE: S.B. No. 585

Honorable Donna Mercado Kim President of the Senate Twenty-Seventh State Legislature Regular Session of 2013 State of Hawaii

Madam:

Your Committee on Agriculture, to which was referred S.B. No. 585 entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

begs leave to report as follows:

The purpose and intent of this measure is to amend the important agricultural land qualified agricultural cost tax credit by:

- (1) Clarifying the amount of the credit;
- (2) Repealing the requirement that qualified agricultural costs be reduced by the amount of funds received from the irrigation repair and maintenance special fund; and
- (3) Repealing the filing deadline to claim credits.

Your Committee received testimony in support of this measure from Hui O Malama Aina, Maui County Farm Bureau, and Alexander and Baldwin, Inc. Your Committee received testimony in opposition to this measure from Animal Rights Hawaii. Your Committee received comments on this measure from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that incentives to landowners and farmers to conduct agricultural activities on important agricultural lands are not only mandated by law but vital to the agricultural and economic future of the State. This measure clarifies and strengthens provisions in the important agricultural land qualified agricultural cost tax credit law and serves as a

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stimulus to encourage owners and farmers to expand their operations and enhance their operating efficiencies.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 585 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

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

Clarence & Dishihan CLARENCE K. NISHIHARA, Chair

The Senate Twenty-Seventh Legislature State of Hawai'i

Record of Votes Committee on Agriculture AGL

Bill / Resolution No.:*	Committee	Referral:		Date:		
SB585	AGL,WAM			2/5	1/1	3
The committee is reconsidering its previous decision on this measure.						
If so, then the previous decision was to:						
The Recommendation is:						
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313						
Members		Aye	Aye (WI	R) N	lay	Excused
NISHIHARA, Clarence K. (C)						
KOUCHI, Ronald D. (VC)						
DELA CRUZ, Donovan M.						
ENGLISH, J. Kalani						
THIELEN, Laura H.						
WAKAI, Glenn						
SLOM, Sam						/
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TOTAL		u				1
Recommendation: Adopted 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