

JAN 20 2017

S.B. NO. 830

A BILL FOR AN ACT

RELATING TO COMMUNITY FOOD FORESTS.

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

1 SECTION 1. The legislature finds that the number of food
2 stamp recipients in Hawaii has nearly doubled over the last six
3 years. The legislature also acknowledges that Hawaii residents
4 face among the highest costs of living in the nation, with the
5 inflation of cost-of-living often outpacing the growth of
6 provisional rates for state welfare.

7 The legislature further finds that due to the island
8 geography of Hawaii, the long-term sustainability of the State
9 depends upon improved uses of land that has already been
10 developed. The legislature also finds that food production in
11 populated areas may contribute significantly to community
12 sustainability by providing locally-produced healthy food to
13 those who cannot otherwise afford it. Urban farms and community
14 gardens, concepts which have been adopted statutorily in states
15 like New York, California, Massachusetts, Tennessee, and Maine,
16 may provide a solution to the problem of increasing food costs
17 and the dwindling availability of undeveloped land. The



1 legislature finds that providing a tax incentive to landowners
2 who lease their land for community food forests will encourage
3 food production and contribute to food sustainability in the
4 State.

5 The purpose of this Act is to establish a tax credit based
6 on real property taxation to incentivize landowners in Hawaii to
7 lease their land for community food forests.

8 SECTION 2. Chapter 235, Hawaii Revised Statutes, is
9 amended by adding a new section to be appropriately designated
10 and to read as follows:

11 "§235- Community food forests; income tax credit. (a)

12 There shall be allowed to each taxpayer, subject to the taxes
13 imposed by this chapter, a community food forest tax credit that
14 shall be deductible from the taxpayer's net income tax
15 liability, if any, imposed by this chapter for the taxable year
16 in which the credit is properly claimed.

17 (b) The amount of the credit shall be equal to per
18 cent of the actual amount of county real property taxes paid by
19 the taxpayer during the taxable year in which real property tax
20 was assessed on lands meeting the requirements of community food
21 forests.



1 In the case of a partnership, S corporation, estate, or
2 trust, the amount upon which the credit is computed shall be
3 determined at the entity level. Distribution and share of
4 credit shall be determined pursuant to section 704(b) of the
5 Internal Revenue Code.

6 (c) The tax credit shall be allowed only for the entity
7 incurring the actual cost of the real property tax. If the real
8 property tax is part of the lease rent and not otherwise
9 specified in the lease agreement, the lessor shall provide the
10 lessee with the amount of the real property tax included as part
11 of the lease rent upon request.

12 (d) The total aggregate credits claimed for each taxpayer
13 per taxable year shall not exceed \$; provided that the
14 total aggregate tax credits claimed amongst all taxpayers shall
15 not exceed \$ per taxable year.

16 (e) If the credit under this section exceeds the
17 taxpayer's tax payments due for the taxable year, the excess of
18 the credits over tax payments due shall be refunded to the
19 taxpayer; provided that the credit properly claimed by the
20 taxpayer who has no income tax liability shall be paid to the
21 taxpayer; provided further that no refunds or payments on



1 account of the credits allowed by this section shall be made for
2 amounts less than \$1.

3 All claims for a credit under this section shall be filed
4 on or before the end of the twelfth month following the close of
5 the taxable year for which the credit may be claimed. Failure
6 to comply with the foregoing provision shall constitute a waiver
7 of the right to claim the credit.

8 (f) The director of taxation shall prepare forms that may
9 be necessary to claim a credit under this section. The director
10 may also require the taxpayer to furnish information to
11 ascertain the validity of the claim for credit made under this
12 section by rule pursuant to chapter 91.

13 (g) The department of agriculture shall determine on an
14 annual basis if the land subject to the credit is in use as a
15 community food forest meeting the requirements of this section,
16 and shall provide a letter of determination to the landowner.

17 (h) For the purposes of the section:

18 "Community food forest" means land leased by one or more
19 individuals for the production of plants and meets the following
20 requirements:

21 (1) Is _____ or greater in total acreage; and



1 (2) Yields pounds or greater of edible plants
2 annually.

3 "Plant" means any member of the plant kingdom that bears
4 fruit, seeds, or roots."

5 SECTION 3. New statutory material is underscored.

6 SECTION 4. This Act shall take effect upon its approval,
7 and shall apply to taxable years beginning after December 31,
8 2017.

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S.B. NO. 830

Report Title:

Community Food Forests; Property Tax; Income Tax Credit

Description:

Creates an income tax credit based on real property taxes paid for landowners to incentivize leasing land for community food forests. Applies to taxable years beginning after 12/31/2017.

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