STAND. COM. REP. NO.

478

Honolulu, Hawaii

February 16, 2017

RE: H.B. No. 1343 H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Ninth State Legislature Regular Session of 2017 State of Hawaii

Sir:

Your Committee on Agriculture, to which was referred H.B. No. 1343 entitled:

"A BILL FOR AN ACT RELATING TO FARMS,"

begs leave to report as follows:

The purpose of this measure is to encourage and support the growth of new, small, and diversified farming businesses by creating an exclusion from income tax for the first \$50,000 of income earned by such businesses, provided that gross income does not exceed \$200,000.

The Hawaii Farm Bureau and three concerned individuals testified in support of this measure. The Department of Agriculture testified in support of the intent of this measure. The Department of Taxation and Tax Foundation of Hawaii provided comments.

Your Committee has amended this measure by:

- (1) Leaving unspecified the amount of income excluded from income tax and the gross income cap applicable to eligibility for the tax credit;
- (2) Changing its effective date to July 31, 2150, to facilitate further discussion; and

(3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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 H.B. No. 1343, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1343, H.D. 1, and be referred to your Committee on Finance.

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

RICHARD P CREAGAN Chair

## State of Hawaii House of Representatives The Twenty-ninth Legislature

## **Record of Votes of the Committee on Agriculture**

Bill/Resolution No.: HB 1343	Committee Referral: AGR, FIN		Date: 2-8-17		
θ The committee is reconsidering its previous decision on the measure.					
The recommendation is to: θ Pass, unamended (as is) Pass, with amendments (HD) θ Hold θ Pass short form bill with HD to recommit for future public hearing (recommit)					
AGR Members	Ayes	Ayes (WR)	Nays	Excused	
1. CREAGAN, Richard P. (C)	V				
2. DeCOITE, Lynn (VC)					
2 CAMPS C.1.					
3. GATES, Cedric Asuega					
4. ING, Kaniela					
5. LoPRESTI, Matthew S.				881881 - 10. 10. 21. 42. <b>3.</b> 7. 18. 1	
6. TAKAYAMA, Gregg	<i>J</i> /				
7. THIELEN, Cynthia	V				
				-	
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TOTAL (7)	7				
The recommendation is:					
If joint referral, did not support recommendation.  committee acronym(s)					
Vice Chair's or designee's signature Lyn De Cort					
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO					