STAND. COM. REP. NO. 20

Honolulu, Hawaii

FEB 0 6 2018

RE: S.B. No. 2533

S.D. 1

Honorable Ronald D. Kouchi President of the Senate Twenty-Ninth State Legislature Regular Session of 2018 State of Hawaii

Sir:

Your Committee on Agriculture and Environment, to which was referred S.B. No. 2533 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to exempt from the general excise tax the value or gross income derived from the sale of locally grown food produced and purchased within the State.

Your Committee received testimony in support of this measure from the Department of Agriculture; Hawai'i Farm Bureau; Hawaii Cattlemen's Council, Inc.; Hawaii Farmers Union United; and four individuals. Your Committee received comments on this measure from the Department of Taxation; Department of the Attorney General; Tax Foundation of Hawaii; and Hawaii Fisherman's Alliance for Conservation and Tradition, Inc.

Your Committee finds that increased local food production is a top priority of the State to achieve the state goal of sustainability. Your Committee supports all efforts that encourage increased local food production in the State.

Your Committee has amended this measure by:

2018-1059 SSCR SMA.doc

- (1) Applying the general excise tax exemption to agricultural products, rather than locally grown food produced and purchased within the State; and
- (2) Making a technical, nonsubstantive amendment 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. 2533, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2533, 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

The Senate Twenty-Ninth Legislature State of Hawaiʻi

Record of Votes Committee on Agriculture and Environment AEN

Bill / Resolution No.:*	Committee Referral:		Da	Date:	
SB 2533	AEN, WAM		1	1/31/18	
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		Ayé	Aye (WR)	Nay	Excused
GABBARD, Mike (C)		X			
RIVIERE, Gil (VC)					7
NISHIHARA, Clarence K.					7
RHOADS, Karl		\times			
RUDERMAN, Russell E.		X			
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TOTAL			0	0	2
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