STAND. COM. REP. NO. 2617

Honolulu, Hawaii

## FEB 1 8 2022

RE: S.B. No. 2435

Honorable Ronald D. Kouchi President of the Senate Thirty-First State Legislature Regular Session of 2022 State of Hawaii

Sir:

Your Committee on Agriculture and Environment, to which was referred S.B. No. 2435 entitled:

"A BILL FOR AN ACT RELATING TO THE IMPORTANT AGRICULTURAL LAND QUALIFIED AGRICULTURAL COST TAX CREDIT,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- Clarify that a taxpayer may claim the important agricultural land qualified agricultural cost tax credit no earlier than the third taxable year after application for first-year certification of the credit; and
- (2) Extend the time that the Department of Agriculture may certify the important agricultural land qualified agricultural cost tax credit by ten years from 2021 to 2031.

Your Committee received testimony in support of this measure from Kamehameha Schools; the Land Use Research Foundation of Hawaii; Carpenter & Carpenter, Inc.; Ulupono Initiative; and Hawai'i Farm Bureau. Your Committee received comments on this measure from the Office of Planning and Sustainable Development, Department of Budget and Finance, Department of Taxation, Department of Agriculture, and Tax Foundation of Hawaii.



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Your Committee finds that the important agricultural lands qualified agricultural cost tax credit supports food selfsufficiency by providing tax credits to qualified landowners and farmers to offset certain costs related to agricultural operations. However, the tax credit effectively expired in December of 2021. This measure provides landowners and farmers additional time to claim the tax credit and extends the tax credit to 2031.

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. 2435 and recommends that it pass Second Reading 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 Thirty-First Legislature State of Hawai'i

## Record of Votes Committee on Agriculture and Environment AEN

Bill / Resolution No.:*	Committee Referral:		D	Date:	
SB 2435	AEN, WAM			02/11/22	
The Committee is reconsidering its previous decision on this measure.					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR)	Nay	Excused
GABBARD, Mike (C)		~			
NISHIHARA, Clarence K. (VC)					
ACASIO, Laura					
RHOADS, Karl					
FEVELLA, Kurt					
	<u></u>				
TOTAL		4	/		
Recommendation:					
Chair's or Designee's Signature: Clarence k Kishihan					
Distribution: Original File with Committee Re	Yellow Pink Goldenrod port Clerk's Office Drafting Agency Committee File Copy				

\*Only one measure per Record of Votes