

STAND. COM. REP. NO. 1207-22

Honolulu, Hawaii

MAR 22 , 2022

RE: S.B. No. 339
S.D. 2
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Agriculture, to which was referred S.B. No. 339, S.D. 2, 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 of this measure is to:

- (1) Allow a taxpayer to claim the important agricultural land qualified agricultural cost tax credit in the third taxable year after application for first year certification of the credit, rather than in the taxable year following the taxable year in which qualified agricultural costs were incurred; and
- (2) Extend the period during which the tax credit is available through the taxable year ending December 31, 2030.

Your Committee received testimony in support of this measure from the Department of Agriculture, Office of Planning and Sustainable Development, Hawai'i Farm Bureau, Ulupono Initiative, Hawaii Crop Improvement Association, Kamehameha Schools, Land Use Research Foundation of Hawaii, and one individual. Your Committee

2022-2449 SB339 HD1 HSCR HMSO



received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Department of Taxation and Department of Budget and Finance.


Your Committee finds that the important agricultural land qualified agricultural cost tax credit is intended to be an incentive and long-term commitment to promote agricultural viability, sustained growth of the agriculture industry, and long-term agricultural use and protection of important agricultural lands. Your Committee further finds that extending the tax credit will provide more time for landowners to voluntarily identify their lands for potential designation as important agricultural lands.

Your Committee has amended this measure by:

- (1) Removing language that would have allowed the tax credit to be claimed in the third taxable year after application for first year certification of the credit; and
- (2) Making technical, nonsubstantive amendments for the purposes of 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 S.B. No. 339, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 339, S.D. 2, H.D. 1, and be referred to your Committee on Finance.

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


MARK J. HASHEM, Chair



Record of Votes of the Committee on Agriculture

Bill/Resolution No.: SB339 SD2		Committee Referral: AGR, FIN		Date: 3/18/22	
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.					
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)					
AGR Members	Ayes	Ayes (WR)	Nays	Excused	
1. HASHEM, Mark J. (C)	✓				
2. PERRUSO, Amy A. (VC)	✓				
3. LOWEN, Nicole E.	✓				
4. MARTEN, Lisa	✓				
5. MATAYOSHI, Scot Z.					✓
6. TODD, Chris					✓
7. TOKIOKA, James Kunane	✓				
8. MATSUMOTO, Lauren	✓				
TOTAL (8)	6				2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small>_____ committee acronym(s)</small>					
Vice Chair's or designee's signature:					
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO					