

STAND. COM. REP. NO.

549

Honolulu, Hawaii

, 2023

FEB 16

RE: H.B. No. 612

H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Agriculture & Food Systems, to which was referred H.B. No. 612 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to establish an income tax credit to alleviate the high costs of production for Hawaii's farmers, ranchers, and fishers and incentivize growth in the agricultural sector.

Your Committee received testimony in support of this measure from the Department of Agriculture, Hawai'i Farm Bureau, Hawaii Aquaculture & Aquaponics Association, Hawai'i Farmers Union United, Ulupono Initiative, and five individuals. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that the agricultural industry needs more support to increase local food production for local consumption. High production costs are a major driver of narrow profit margins for those in the agricultural industry. Your Committee further finds that land, water, labor, taxes, utilities, and more are all costs of doing business that often result in some agricultural businesses barely breaking even. Your Committee believes that the State's farmers, fishers, and ranchers need

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support to alleviate the high costs associated with agricultural production, as proposed by this measure.

Your Committee has amended this measure by changing the effective date to June 30, 3000, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Agriculture & Food Systems that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 612, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 612, H.D. 1, and be referred to your Committee on Finance.

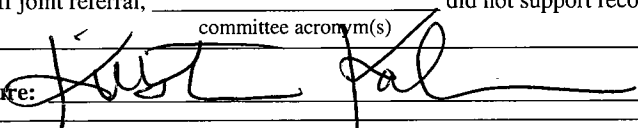
Respectfully submitted on
behalf of the members of the
Committee on Agriculture & Food
Systems,



CEDRIC ASUEGA GATES, Chair



Record of Votes of the Committee on Agriculture & Food Systems

Bill/Resolution No.: HB612	Committee Referral: AGR, FIN	Date: 2/13/2023		
<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. GATES, Cedric Asuega (C)	✓			
2. KAHALOA, Kirstin (VC)	✓			
3. COCHRAN, Elle	✓			
4. LOWEN, Nicole E.	✓			
5. PERRUSO, Amy A.	✓			
6. WOODSON, Justin H.	✓			
7. WARD, Gene	✓			
TOTAL (7)	7			
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ committee acronym(s) did not support recommendation.				
Vice Chair's or designee's signature: 				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				