

STAND. COM. REP. NO. 678

Honolulu, Hawaii

FEB 17 , 2023

RE: H.B. No. 619
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. 619 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to establish a tax credit for qualified small farms that donate certain food products or prepared foods to food banks and food pantries.

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

Your Committee finds that this measure supports local food producers in their efforts to donate food through food banks and food pantries to individuals who are food-insecure.

Your Committee has amended this measure by:

- (1) Specifying that in order to be eligible for the tax credit, a qualified farm must donate an eligible food



product or prepared food to food banks or food pantries located in the State;

- (2) Modifying the term "qualified small farm" to "qualified farm" by deleting the \$250,000 monetary threshold and removing the requirement that the farm be located in Hawaii;
- (3) Changing its effective date to June 30, 3000, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee respectfully requests your Committee on Finance, should it choose to deliberate on this measure, to consider a definition for the phrase "indigenous to native Hawaiian culture".

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. 619, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 619, 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



