

JAN 25 2023

A BILL FOR AN ACT

RELATING TO TARO.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that Hawaii imports
2 eighty-five per cent of its food and is considered highly
3 vulnerable in issues of food security. Climate change
4 significantly increases this vulnerability with sea level rise
5 and intensified weather patterns in the Pacific, such as
6 droughts, hurricanes, and floods. In the search for proactive
7 adaptive mechanisms to mitigate climate change and increase food
8 security in Hawaii, the legislature finds that kalo, or taro,
9 and loi kalo, or wetland taro systems, are recognized for
10 their culturally-grounded foundational role in food security
11 and their functionality and resilience as riparian buffers
12 and sediment retention basins. Underground foods, such as
13 taro, can often survive hurricane or flood events and be
14 harvested to address immediate food shortages where the
15 capacity to store and cook food can be retained.

16 The legislature additionally finds that the department of
17 agriculture has identified staple starches as the greatest



1 food security risk in the State. Taro is one of Hawaii's
2 highest yielding staple starch food crops, producing ten
3 thousand pounds and twenty thousand pounds per acre per annum
4 under wet and dry cultivation, respectively. As a
5 hypoallergenic complex carbohydrate, taro plays an essential
6 role in the health of families, particularly for native
7 Hawaiians, in its traditional forms of cooked taro, poi,
8 luau, laulau, and kulolo. Yet, the cost of these foods
9 remains inaccessible to families most in need of these
10 important staple starch foods. In 2016, at the International
11 Union of Conservation of Nature World Conservation Congress, the
12 governor pledged to double food production in Hawaii by 2030
13 as part of Hawaii's commitment to its residents and the world
14 and in order to begin to address this inequity at home.
15 Significant headway has yet to be made towards this goal.

16 The legislature further finds that taro is severely
17 underproduced in the State. The 2021 marketing survey of the
18 Hawaii department of agriculture reported four hundred
19 eighteen acres of taro in wetland and dryland production. An
20 equal amount of acreage is estimated to be unreported or in
21 subsistence taro cultivation. Annual reported production



1 averages four million tons. However, imported taro exceeds
2 two million, leaving a wide gap between in-state production,
3 out-of-state imports, and local demand.

4 The legislature also finds that small farms on twenty
5 acres or less, inclusive of taro and all other types of
6 vegetable and fruit production, make up the majority of farms
7 in Hawaii (ninety-six per cent) and produce a significant
8 portion of locally-grown and locally-consumed food on each
9 island. The 2017 census of agriculture reports that the
10 average small-scale farmer in Hawaii makes less than \$40,000
11 per year, with losses of almost \$10,000 annually due to the
12 highly inflated costs of farming, including imported
13 equipment, materials and inputs, land, lease rent rates, and
14 water. There is an urgent need to better support small
15 farmers.

16 The legislature further finds that, in its report to the
17 2010 legislature, the taro security and purity task force made
18 several recommendations to make taro farming affordable,
19 including improving access to land, water, mentoring, and
20 economic incentives. The counties of Maui and Kauai have
21 enacted ordinances that exempt kuleana lands in active taro



1 production from county taxes. These ordinances provide
2 limited relief to some taro farms but are not available in
3 all counties or to all taro growers and are insufficient for
4 young farmers to offset the typically low incomes experienced
5 in taro farming.

6 The legislature affirms that taro is inextricably linked to
7 Hawaiian identity and cultural integrity. The ongoing survival
8 and revitalization of taro production is vital to family and
9 community health and well-being in the Native Hawaiian community
10 and beyond. Taro farming and taro farms are an iconic visual
11 image for Hawaii that demands protection. Pursuant to
12 section 5-15.5, Hawaii Revised Statutes, taro is recognized as
13 the official plant of the State for these reasons and more.
14 Cooked taro, poi, luau, laulau, and kulolo are locally-made
15 traditional food products that are unique to Hawaii and Hawaiian
16 culture, with the exception of cooked taro known in the Pacific,
17 Asia, and other parts of the world.

18 The legislature additionally finds that, in 1901, the
19 first legislature of the Territory of Hawaii recognized the
20 role that taro played in feeding the nation by passing Senate
21 Bill No. 87 to encourage the cultivation of taro by exempting



1 taro and the cultivation of taro from all state taxes. While
2 Senate Bill No. 87 was never signed into law, its intentions
3 were clear in encouraging the production of more taro.

4 The legislature also finds that, in recognition of the
5 critical importance of protecting and perpetuating the
6 traditional practice of taro farming as part of Hawaii's
7 cultural identity and its role in local food security, there
8 is a compelling interest in enacting a law in the present day
9 that is similar to Senate Bill No. 87.

10 Accordingly, the purpose of this Act is to create
11 stronger economic incentives to protect the Hawaiian
12 traditions of taro and taro farming, to encourage new taro
13 farmers, improve the livelihoods of existing taro farmers, and
14 reduce the cost of poi and other healthy taro-based foods for
15 local families by:

16 (1) Exempting income derived from the business of taro
17 cultivation or production of taro products from the
18 income tax; and

19 (2) Exempting from the general excise tax the gross
20 proceeds or income received from the sale of any



1 product resulting from the cultivation and
2 production of unprocessed taro.

3 SECTION 2. Chapter 235, Hawaii Revised Statutes, is
4 amended by adding a new section to be appropriately designated
5 and to read as follows:

6 "§235- Taro cultivation and production; exemption. (a)
7 Except as provided in section 235-2.4 (relating to "unrelated
8 business taxable income") and sections 235-61 to 235-67
9 (relating to withholding and collection of tax at source), the
10 income of qualified taxpayers engaged in the business of taro
11 cultivation and production of taro products shall not be
12 taxable; provided that the exemption provided under this section
13 shall not apply to the sale or proceeds of the sale of taro
14 lands.

15 (b) For the purposes of this section, taro cultivation and
16 production of taro products include the following activities:

17 (1) The cultivation of taro plants, taro corm, leaf, and
18 taro huli on taro farms or portions of farms dedicated
19 to taro plants, taro corm, leaf, and taro huli;



1 (2) The planting of taro on taro lands, including the
2 practice of rotating between fallow lands to lands in
3 active taro production by each individual grower; and

4 (3) The preparation of taro products produced with taro
5 and taro leaf.

6 (c) The department of taxation may consult with the office
7 of Hawaiian affairs in the administration of the exemption
8 provided under this section.

9 (d) For the purposes of this section:

10 "Cooked taro" means raw taro that is steamed, baked, or
11 boiled to render it edible and safe to eat.

12 "Kulolo" means a traditional Hawaiian food consisting
13 primarily of grated taro, coconut milk, and sugar or honey,
14 which is baked or steamed into a dense pudding.

15 "Laulau" means a traditional Hawaiian food consisting of
16 meat or starch that is wrapped in taro leaves, which may or may
17 not be wrapped in ti leaf, and steamed.

18 "Luau" means raw taro leaf. "Luau" or "luau stew" also
19 means a traditional Hawaiian food, consisting primarily of
20 cooked taro leaf and Hawaiian salt, which may also contain meat
21 or meat broth and other ingredients.



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1 "Poi" means a traditional Hawaiian staple food, made from
2 cooked taro and water, and milled or pounded into a paste.

3 "Qualified taxpayer" means an individual engaged in:

4 (1) The production of taro or taro products for sale, or
5 the use of land for taro farming; and

6 (2) The manufacturing, compounding, canning, preserving,
7 milling, processing, refining, or preparing taro for
8 sale.

9 "Raw taro" means uncooked taro corm.

10 "Taro corm" means the starchy underground portion of the
11 taro plant. "Taro corm" is known as "kalo" in the Hawaiian
12 language.

13 "Taro huli" means a taro top, as used for planting, where
14 the upright stem is cut below the leaf and below the top of the
15 corm of the taro, such that it includes a piece of the corm at
16 its base where roots can emerge.

17 "Taro products" includes taro huli, raw or cooked taro, and
18 the traditional Hawaiian foods of poi, luau, laulau, and
19 kulolo."



1 SECTION 3. Chapter 237, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§237- Exemption for the cultivation and production of
5 unprocessed taro. (a) There shall be exempted from, and
6 excluded from the measure of, the taxes imposed by this chapter
7 all of the gross proceeds or income received from the sale of
8 any product resulting from the cultivation and production of
9 unprocessed taro, or of any taro product of which the primary
10 ingredient is taro or taro leaf. This exemption shall solely
11 and only apply to farmers and direct producers of taro and taro
12 products.

13 (b) As used in this section:

14 "Cooked taro" means raw taro that is steamed, baked, or
15 boiled to render it edible and safe to eat.

16 "Kulolo" means a traditional Hawaiian food consisting
17 primarily of grated taro, coconut milk, and sugar or honey,
18 which is baked or steamed into a dense pudding.

19 "Laulau" means a traditional Hawaiian food consisting of
20 meat or starch that is wrapped in taro leaves, which may or may
21 not be wrapped in ti leaf, and steamed.



1 "Luau" means raw taro leaf. "Luau" or "luau stew" also
2 means a traditional Hawaiian food, consisting primarily of
3 cooked taro leaf and Hawaiian salt, which may also contain meat
4 or meat broth and other ingredients.

5 "Poi" means a traditional Hawaiian staple food, made from
6 cooked taro and water, and milled or pounded into a paste.

7 "Primary ingredient" means the ingredient of highest
8 percentage in a product and listed first on the product's label.

9 "Raw taro" means uncooked taro corm.

10 "Taro corm" means the starchy underground portion of the
11 taro plant. "Taro corm" is known as "kalo" in the Hawaiian
12 language.

13 "Taro huli" means a taro top, as used for planting, where
14 the upright stem is cut below the leaf and below the top of the
15 corm of the taro, such that it includes a piece of the corm at
16 its base where roots can emerge.

17 "Taro products" includes taro huli, raw or cooked taro, and
18 the traditional Hawaiian foods of poi, luau, laulau, and
19 kulolo."

20 SECTION 4. New statutory material is underscored.



1 SECTION 5. This Act shall take effect on January 1, 2024;
2 provided that section 2 shall apply to taxable years beginning
3 after December 31, 2023.

4

INTRODUCED BY:  _____



S.B. NO. 1499

Report Title:

Taro; Cultivation and Production; Traditional Hawaiian foods;
Income Tax; General Excise Tax; Exemption

Description:

Exempts income derived from the business of taro cultivation or production of taro products from the income tax. Exempts from the general excise tax the gross proceeds or income received from the sale of any product resulting from the cultivation and production of unprocessed taro.

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