

JOSH GREEN M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION

Ka 'Oihana 'Auhau
P.O. BOX 259

HONOLULU, HAWAII 96809
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GARY S. SUGANUMA
DIRECTOR

KRISTEN M.R. SAKAMOTO
DEPUTY DIRECTOR

**TESTIMONY OF
GARY S. SUGANUMA, DIRECTOR OF TAXATION**

TESTIMONY ON THE FOLLOWING MEASURE:

H.B. No. 607, H.D. 2, S.D. 1, Relating to Taxation

BEFORE THE:

Senate Committee on Ways and Means

DATE: Friday, March 31, 2023

TIME: 9:45 a.m.

LOCATION: State Capitol, Room 211

Chair Dela Cruz, Vice-Chair Keith-Agaran, and Members of the Committee:

The Department of Taxation (“Department”) offers the following comments regarding H.B. 607, H.D. 2, S.D. 1, for your consideration.

H.B. 607, H.D. 2, S.D. 1, adds a new section to chapter 235, Hawaii Revised Statutes (HRS), to create a nonrefundable income tax credit for taxpayers who are farmers or are producers of agricultural commodities, cooperatives, broad line distributors, or food hubs who ship products and agricultural goods between counties. The taxpayer can claim an unspecified percentage, up to an unspecified maximum amount per producer, for transportation costs for the shipping of produce and agricultural products between counties.

The credit is distributed annually with an unspecified aggregate cap, allowing up to an unspecified percentage of the aggregate may be claimed by farmers and ranchers, up to an unspecified percentage may be claimed by food hubs, and up to an unspecified percentage may be claimed by broad line distributors.

This measure has a defective effective date of June 30, 3000.

The Department appreciates the amendments made by the Senate Committee on Agriculture and Environment, clarifying that the credit is only allowable for transportation

costs. However, the Department maintains the following comments and recommendations for this measure:

First, the Department notes that the credit is distributed annually, and unspecified amounts are allocated to different types of taxpayers. The Department does not have the ability to administer the credit based on the various percentages. The Department further notes that it does not have the ability to administer the aggregate annual cap without another agency certifying the credit. The Department requests that an agency with the requisite expertise be made responsible for certifying this credit and administering the unspecified aggregate cap.

Second, in order to properly implement and administer this measure, the Department suggests adding a definition for “broad line distributors,” as referenced in section 2, page 3, line 10 of the measure.

Third, the Department recommends deleting subsection (g) in section 2, page 4, lines 18 through 20 of the measure, referencing refunds provided through refund vouchers, which does not apply to this nonrefundable credit.

Fourth, the Department notes that it will require resources and time to implement the new credit. Accordingly, the Department respectfully requests that if the effective date of the measure is updated, it be amended to apply to taxable years beginning after December 31, 2023.

Finally, the Department estimates a revenue loss of an indeterminate amount for Fiscal Year (FY) 2024 and thereafter.

Thank you for the opportunity to provide comments on this measure.



March 29, 2023

Hawai'i State Senate
COMMITTEE ON WAYS AND MEANS

RE: SUPPORT of HB607 HD2 SD1

Aloha Chair, Vice Chair and members of the committee,

The cost of inter-island transportation is a bottleneck for market access by food producers in Hawaii. This issue is also recognized by the USDA, which administers a reimbursement transportation cost payment program for geographically disadvantaged farmers and ranchers to reimburse producers for a portion of the cost to transport agricultural commodities or inputs used to produce an agricultural commodity.

An income tax credit, like the reimbursement transportation cost payment program, that similarly reimburses producers for a portion of the cost to transport agricultural goods between the counties will reduce cost impacts to farm viability and consumer food price. Additionally, it would support progress towards the state's Aloha+ Challenge commitment to increase local food consumption and production.

Please support local food producers and distributors and pass HB607.

Mahalo,

Anna Camacho, co-founder





Senate Committee on Ways and Means

Hawai'i Alliance for Progressive Action (HAPA) Supports: HB607 HD2 SD1

Friday, March 31, 2023 9:45 a.m. Conference Room 211

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran and Members of the Committee,

HAPA supports HB607 HD2 SD1 which creates an income tax credit for produce transportation costs incurred by taxpayers who are farmers, or are producers of agricultural commodities, cooperatives, broad line distributors, or food hubs who ship products and agricultural goods between counties.

The purpose of this measure is to establish an inter-island produce shipping tax credit to alleviate the costs of inter-island shipping for farmers and ranchers in the State which we understand is an important part of supporting our local agriculture sector and food security. .

The cost of inter-island transportation is a bottleneck for market access by food producers in Hawaii. This issue is also recognized by the United States Department of Agriculture, which administers a reimbursement transportation cost payment program for geographically disadvantaged farmers and ranchers to reimburse producers for a portion of the cost to transport agricultural commodities or inputs used to produce an agricultural commodity.

The reimbursement transportation cost payment program helps eligible farmers and ranchers in Hawaii and the Pacific offset their costs for transporting agricultural products or inputs used to produce an agricultural commodity over long distances. Payments from the program are calculated based on the costs incurred for transportation of the agricultural commodity or inputs during a fiscal year, subject to an \$8,000 per producer cap per fiscal year.

Providing an income tax credit like the reimbursement transportation cost payment program that similarly reimburses producers for a portion of the cost to transport agricultural goods between the counties will reduce cost impacts to farm viability and consumer food price and support progress towards the State's Aloha+ Challenge commitment to increase local food consumption and production.

HAPA supports HFUU's suggested funding levels for the interisland transportation reimbursement as follows:

"§235- Interisland produce shipping tax credit. (a) Each producer that files an individual or corporate net income tax return for a taxable year may claim a tax credit under this section against the Hawaii state individual or corporate net income tax imposed by this chapter for the taxable year in which the credit is properly claimed.

(b) The amount of the credit shall be equal to 50 per cent of the input transportation costs for the shipping of produce and



agricultural goods between counties, up to a maximum of \$ 20,000 per producer.

(c) The tax credits shall be distributed annually as follows:

(1) Up to 50 per cent of the total tax credits available may be claimed by farmers and ranchers;

(2) Up to 30 per cent of the total tax credits available may be claimed by food hubs; and

(3) Up to 20 per cent of the total tax credits available may be claimed by broad line distributors.

The total amount of tax credits allowed under this section shall not exceed \$ 5,000,000 for all taxpayers in any taxable year.

Please support local food producers and distributors and pass HB607 HD2 SD1.

Thank you for your consideration.

Respectfully,

A handwritten signature in black ink, appearing to read 'Anne Frederick', written in a cursive style.

Anne Frederick
Executive Director



P.O. Box 253, Kunia, Hawai'i 96759
Phone: (808) 848-2074; Fax: (808) 848-1921
e-mail info@hfbf.org; www.hfbf.org

March 31, 2023

HEARING BEFORE THE
SENATE COMMITTEE ON WAYS AND MEANS

TESTIMONY ON HB 607, HD2, SD1
RELATING TO TAXATION

Conference Room 211 & Videoconference
9:45 AM

Aloha Chair Dela Cruz, Vice-Chair Keith-Agaran, and Members of the Committee:

I am Brian Miyamoto, Executive Director of the Hawai'i Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,800 farm family members statewide and serves as Hawai'i's voice of agriculture to protect, advocate and advance the social, economic, and educational interests of our diverse agricultural community.

The Hawai'i Farm Bureau supports HB 607, HD2, SD1, which creates an income tax credit for taxpayers who are farmers, or are producers of agricultural commodities, cooperatives, broad line distributors, or food hubs who ship products and agricultural goods between counties.

Interisland transportation has been a major issue with neighbor island farmers and ranchers. The majority of agricultural lands are in the neighbor islands yet the population center is on Oahu. Neighbor island farmers and ranchers are disadvantaged when competing with fellow farmers and ranchers on Oahu due to additional transportation costs of bringing in supplies and sending products out. Each increase in interisland shipping rates means increased costs to these farmers and ranchers, costs that usually cannot be passed on to the vendor. This bill seeks to level the playing field by providing assistance to neighbor island farmers and ranchers.

We believe that this tax will help to reduce the operating costs for our neighbor island farmers and ranchers and eventually help reduce the cost of purchasing local agriculture products for local consumers.

We are concerned that the amended definition of "producer" may allow producers in any state, rather than only producers in Hawai'i, to be eligible for the interisland produce shipping tax credit.

Thank you for the opportunity to testify on this measure.

HB-607-SD-1

Submitted on: 3/29/2023 9:57:58 PM

Testimony for WAM on 3/31/2023 9:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Lourdes millan	Testifying for Green islands acres llc	Support	Written Testimony Only

Comments:

I support this bill and wish to add that We are seeking for the credit to cover 50% of the input transportation cost up to a maximum of \$20,000, and a total cap of \$5M



Email: communications@ulupono.com

SENATE COMMITTEE ON WAYS & MEANS
Friday, March 31, 2023 —9:45 a.m.

Ulupono Initiative supports HB 607 HD2 SD1, Relating to Taxation.

Dear Chair Dela Cruz and Members of the Committee:

My name is Micah Munekata, and I am the Director of Government Affairs at Ulupono Initiative. We are a Hawai'i-focused impact investment firm that strives to improve the quality of life throughout the islands by helping our communities become more resilient and self-sufficient through locally produced food, renewable energy and clean transportation choices, and better management of freshwater resources.

Ulupono supports HB 607 HD2 SD1, which creates an income tax credit for taxpayers who are farmers, or are producers of agricultural commodities, cooperatives, broad line distributors, or food hubs who ship products and agricultural goods between counties.

Ulupono supports the State's goal to double local food production. This measure seeks to address one of the most important issues facing local agriculture—transportation. To help address costs associated with moving agricultural products to markets, the Reimbursement Cost Transportation Program is a USDA Farm Service Agency program that is fully prescribed each year with roughly 200-300 applicants each year.

The program is a great resource, but not all producers are eligible or able to navigate the federal process. This is the case with many federal program opportunities for agriculturalists. Having some level of State support can directly provide a positive impact on producer bottom lines.

Thank you for the opportunity to testify.

Respectfully,

Micah Munekata
Director of Government Affairs

Investing in a Sustainable Hawai'i

HB-607-SD-1

Submitted on: 3/30/2023 7:12:12 AM

Testimony for WAM on 3/31/2023 9:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Colehour Bondera	Testifying for Kanalani Ohana Farm	Support	Written Testimony Only

Comments:

Aloha Chair and Committee Members:

As a farmer from an outer island, I recognize the blocks we face with food transport in terms of costs to us small operators.

Please support this legislation to help Hawaii feed itself and reduce the overall carbon footprint impact of imported (from out of state) food.

HB 607 is helpful and needs to be supported.

Yours,

Colehour Bondera

KANALANI OHANA FARM

Honaunau, HI

colemel2@gmail.com



Hawaii Cattlemen's Council, Inc.

COMMITTEE ON WAYS AND MEANS
Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair

HB607, HD2 SD1
RELATING TO TAXATION

Friday, March 31, 2023, 9:45 AM
Conference Room 211 & Videoconference

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee,

The Hawaii Cattlemen's Council (HCC) is the Statewide umbrella organization comprised of the four county-level Cattlemen's Associations. Our member ranchers represent over 60,000 head of beef cows; more than 75% of all the beef cows in the State. Ranchers are the stewards of over 750 thousand acres of land in Hawaii, or 20% of the State's total land mass. We represent the interests of Hawaii's cattle producers.

The Hawaii Cattlemen's Council **supports HB607 HD2 SD1** which creates an income tax credit for taxpayers who are farmers, or are producers of agricultural commodities, cooperatives, broad line distributors, or food hubs who ship products and agricultural goods between counties.

As an island state, transportation of cattle is a key component for Hawaii's ranchers. Over the past few years, the cost of transportation has continued to increase dramatically. Ranchers rely on interisland shipping to get cattle to available processing facilities and to viable markets. This tax credit will be a welcome opportunity for producers to utilize.

We appreciate the opportunity to testify on this measure.

Nicole Galase
Hawaii Cattlemen's Council
Managing Director





Officers

Kaipo Kekona
State President

Anabella Bruch
Vice-President

Maureen Datta
Secretary

Reba Lopez
Treasurer

Chapter Presidents

Madeline Ross
Kohala, Hawai'i

Odysseus Yacalis
East Hawai'i

Puna, Hawai'i

Andrea Drayer
Ka'u, Hawai'i

Chantal Chung
Kona, Hawai'i

Fawn Helekahi-Burns
Hana, Maui

Reba Lopez
Haleakala, Maui

Kaiea Medeiros
Mauna Kahalawai,
Maui

Kaipo Kekona
Lahaina, Maui

Rufina Kaauwai
Molokai

Negus Manna
Lāna'i

Brynn Foster
North Shore, O'ahu

Christian Zuckerman
Wai'anae, O'ahu

Ted Radovich
Waimanalo, O'ahu

Vincent Kimura
Honolulu, O'ahu

Ray Maki
Kauai

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Senate Ways and Means Committee,

The Hawaii Farmers Union United (HFUU) is a 501(c)(5) agricultural advocacy nonprofit representing a network of over 2,500 family farmers and their supporters across the Hawaiian Islands. **HFUU strongly supports HB607.**

We all understand the importance of supporting farmers and producers across Hawaii, as well as the need to ensure that our agricultural sector remains strong. The proposed income tax credit for those who are in this industry will provide much needed relief and assistance to farmers and producers who are so often the backbone of our rural and island economies.

This tax credit can help to reduce the cost of shipping agricultural products between counties and make it easier for farmers and producers to provide the food that is so important for our communities. Additionally, it will help to create a level playing field between large and small-scale producers and distributors, providing resources and assistance to those that are the most vulnerable. We strongly support HB607 and hope that it will benefit Hawai'i's farmers and producers meaningfully.

We are seeking the follow credit structure:

(b) The amount of the credit shall be equal to **50** per cent of the input transportation costs for the shipping of produce and agricultural goods between counties, up to a maximum of \$ **20,000** per producer.

(c) The tax credits shall be distributed annually as follows:

(1) Up to **50** per cent of the total tax credits available may be claimed by farmers and ranchers;

(2) Up to **30** per cent of the total tax credits available may be claimed by food hubs; and

(3) Up to **20** per cent of the total tax credits available may be claimed by broad line distributors.

The total amount of tax credits allowed under this section shall not exceed \$ **5,000,000** for all taxpayers in any taxable year.

Mahalo for the opportunity to testify.

Kaipo Kekona, President HFUU/HFUF



1050 Bishop St. PMB 235 | Honolulu, HI 96813
P: 808-533-1292 | e: info@hawaiiifood.com

Executive Officers

Eddie Asato, Pint Size Hawaii, *Chair*
Gary Okimoto, Safeway, *Vice Chair*
Maile Miyashiro, C&S Wholesale, *Secretary/Treas.*
Lauren Zirbel, HFIA, *President and Executive Director*
John Schilf, Rainbow Sales and Marketing, *Advisor*
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Derek Kurisu, KTA Superstores, *Advisor*
Toby Taniguchi, KTA Superstores, *Advisor*
Joe Carter, Coca-Cola Bottling of Hawaii, Odom, *Advisor*
Charlie Gustafson, Tamura Super Market, *Immediate Past Chair*

LATE

TO: Committee on Ways and Means
Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair

FROM: HAWAII FOOD INDUSTRY ASSOCIATION
Lauren Zirbel, Executive Director

DATE: March 31, 2023
TIME: 9:45am

RE: HB607 HD2 SD1 Relating to Taxation

Position: Support

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers, and distributors of food and beverage related products in the State of Hawaii.

Increasing local food production is an important goal for our state. We are all aware of the many challenges that our local food producers face, including the geographic obstacle of getting food from where it's grown to customers on other islands.

This measure would help offset the burden that food producers face when moving their goods interisland. This tax credit can help make locally grown food more competitive with imported products, more available and accessible to consumers or manufacturers on other islands, and incentivize more agricultural production.

For these reasons we ask the committee to pass this measure. Thank you for the opportunity to testify.

HB-607-SD-1

Submitted on: 3/29/2023 1:41:26 PM

Testimony for WAM on 3/31/2023 9:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Cards Pintor	Individual	Support	Written Testimony Only

Comments:

Aloha,

I support this bill.

Mahalo nui,

Cards Pintor

HB-607-SD-1

Submitted on: 3/29/2023 1:48:34 PM

Testimony for WAM on 3/31/2023 9:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Samuel M Mitchell	Individual	Support	Written Testimony Only

Comments:

The cost of inter-island transportation is a bottleneck for market access by food producers in Hawaii. This issue is also recognized by the United States Department of Agriculture, which administers a reimbursement transportation cost payment program for geographically disadvantaged farmers and ranchers to reimburse producers for a portion of the cost to transport agricultural commodities or inputs used to produce an agricultural commodity.

Providing an income tax credit like the reimbursement transportation cost payment program that similarly reimburses producers for a portion of the cost to transport agricultural goods between the counties will reduce cost impacts on farm viability and consumer food price and support progress towards the State's Aloha+ Challenge commitment to increase local food consumption and production.

Please support local food producers and distributors and pass HB607.

Thank you for your consideration,

Samuel Mitchell Makiki NB-10 & NARFE Hawaii Leg. V.P.

HB-607-SD-1

Submitted on: 3/29/2023 4:27:32 PM

Testimony for WAM on 3/31/2023 9:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Michele Nihipali	Individual	Support	Written Testimony Only

Comments:

The cost of inter-island transportation is a bottleneck for market access by food producers in Hawaii. This issue is also recognized by the United States Department of Agriculture, which administers a reimbursement transportation cost payment program for geographically disadvantaged farmers and ranchers to reimburse producers for a portion of the cost to transport agricultural commodities or inputs used to produce an agricultural commodity.

Providing an income tax credit like the reimbursement transportation cost payment program that similarly reimburses producers for a portion of the cost to transport agricultural goods between the counties will reduce cost impacts to farm viability and consumer food price and support progress towards the State's Aloha+ Challenge commitment to increase local food consumption and production.

Please support local food producers and distributors and pass HB607.

Thank you for your consideration,

Michele Nihipali

54-074 A Kam Hwy,

Hauula, HI 96717

HB-607-SD-1

Submitted on: 3/29/2023 5:11:52 PM

Testimony for WAM on 3/31/2023 9:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Ezgi Green	Individual	Support	Written Testimony Only

Comments:

Aloha,

The cost of inter-island transportation is a bottleneck for market access by food producers in Hawaii. This issue is also recognized by the United States Department of Agriculture, which administers a reimbursement transportation cost payment program for geographically disadvantaged farmers and ranchers to reimburse producers for a portion of the cost to transport agricultural commodities or inputs used to produce an agricultural commodity.

Providing an income tax credit like the reimbursement transportation cost payment program that similarly reimburses producers for a portion of the cost to transport agricultural goods between the counties will reduce cost impacts on farm viability and consumer food price and support progress towards the State's Aloha+ Challenge commitment to increase local food consumption and production.

Please support local food producers and distributors and pass HB607.

Thank you for your consideration,

Ezgi Green, Kaimanu/Waiialua

HB-607-SD-1

Submitted on: 3/29/2023 6:00:20 PM

Testimony for WAM on 3/31/2023 9:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Helmut Klauer	Individual	Support	Written Testimony Only

Comments:

We are seeking for the credit to cover 50% of the input transportation cost up to a maximum of \$20,000, and a total cap of \$5M.

HB-607-SD-1

Submitted on: 3/29/2023 6:02:26 PM

Testimony for WAM on 3/31/2023 9:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Sara Gilligan	Individual	Support	Written Testimony Only

Comments:

I support Bill HB607 to support our local farmers. We are seeking for the credit to cover 50% of the input transportation cost up to a maximum of \$20,000 and a cap of \$5 million.

HB-607-SD-1

Submitted on: 3/29/2023 6:14:01 PM

Testimony for WAM on 3/31/2023 9:45:00 AM

Submitted By	Organization	Testifier Position	Testify
VINCENT KIMURA	Individual	Support	Written Testimony Only

Comments:

Please add this edit into the bill - "We are seeking for the credit to cover 50% of the input transportation cost up to a maximum of \$20,000, and a total cap of \$5M."

HB-607-SD-1

Submitted on: 3/29/2023 6:34:41 PM

Testimony for WAM on 3/31/2023 9:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Eliel Starbright	Individual	Support	Written Testimony Only

Comments:

Providing an income tax credit like the reimbursement transportation cost payment program that similarly reimburses producers for a portion of the cost to transport agricultural goods between the counties will reduce cost impacts to farm viability and consumer food price and support progress towards the State's Aloha+ Challenge commitment to increase local food consumption and production.

Please support local food producers and distributors and pass HB607.

Thank you for your consideration,

Your Eliel Starbright, Kapaa

HB-607-SD-1

Submitted on: 3/29/2023 6:40:16 PM

Testimony for WAM on 3/31/2023 9:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Susan Stayton	Individual	Support	Written Testimony Only

Comments:

Representatives,

Please support local food producers and distributors and pass HB607.

Thank you for your consideration,

Susan Stayton, Lawai, Kauai, HI

HB-607-SD-1

Submitted on: 3/29/2023 7:15:51 PM

Testimony for WAM on 3/31/2023 9:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Will Caron	Individual	Support	Written Testimony Only

Comments:

Please support HB607 HD2 SD1.

HB-607-SD-1

Submitted on: 3/29/2023 8:10:37 PM

Testimony for WAM on 3/31/2023 9:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Raphiell Nolin	Individual	Support	Written Testimony Only

Comments:

In strong support.

Would like the credit to cover 50% of the input transportation costs up to a max of \$20K and a total cap of \$5M.

Mahalo

HB-607-SD-1

Submitted on: 3/29/2023 8:16:26 PM

Testimony for WAM on 3/31/2023 9:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Mary Lu Kelley	Individual	Support	Written Testimony Only

Comments:

Aloha. The cost of inter-island transportation is a bottleneck for market access by food producers in Hawaii. This issue is also recognized by the United States Department of Agriculture, which administers a reimbursement transportation cost payment program for geographically disadvantaged farmers and ranchers to reimburse producers for a portion of the cost to transport agricultural commodities or inputs used to produce an agricultural commodity.

Providing an income tax credit like the reimbursement transportation cost payment program that similarly reimburses producers for a portion of the cost to transport agricultural goods between the counties will reduce cost impacts to farm viability and consumer food price and support progress towards the State's Aloha+ Challenge commitment to increase local food consumption and production.

Please support local food producers and distributors and pass HB607.

Thank you for your consideration,

Mary Lu Kelley

Kapa'a, Kauai, HI

HB-607-SD-1

Submitted on: 3/29/2023 8:59:23 PM

Testimony for WAM on 3/31/2023 9:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Robert ZUckerman	Individual	Support	Written Testimony Only

Comments:

This will support the subsistence of all involved in our local food chain which is essential to ua all. We are seeking for the credit to cover 50% of the input transportation cost up to a maximum of \$20,000, and a total cap of \$5M.

HB-607-SD-1

Submitted on: 3/29/2023 9:04:19 PM

Testimony for WAM on 3/31/2023 9:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Thomas Brandt	Individual	Support	Written Testimony Only

Comments:

In the absence of exemption from GET for local ag production for local markets--

an exemption which ag exporters in Hawaii have long enjoyed--

I think the least we can do to help reduce our dangerous over-dependency on imported food is to eliminate state income tax liability for local ag import substitution.

We are seeking a state income tax credit to cover 50% of input transportation costs, up to a maximum of \$20,000, and a total cap of \$5 million..

Thank you for your time and consideration.

Thomas Brandt

HB-607-SD-1

Submitted on: 3/30/2023 6:52:42 AM

Testimony for WAM on 3/31/2023 9:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Lynn J Ishii	Individual	Support	Written Testimony Only

Comments:

The cost of inter-island transportation is a bottleneck for market access by food producers in Hawaii. This issue is also recognized by the United States Department of Agriculture, which administers a reimbursement transportation cost payment program for geographically disadvantaged farmers and ranchers to reimburse producers for a portion of the cost to transport agricultural commodities or inputs used to produce an agricultural commodity.

Providing an income tax credit like the reimbursement transportation cost payment program that similarly reimburses producers for a portion of the cost to transport agricultural goods between the counties will reduce cost impacts to farm viability and consumer food price and support progress towards the State's Aloha+ Challenge commitment to increase local food consumption and production.

Please support local food producers and distributors and pass HB607.

Thank you for your consideration,

Lynn Ishii, Wahiawā

HB-607-SD-1

Submitted on: 3/30/2023 8:26:32 AM

Testimony for WAM on 3/31/2023 9:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Nani Kahinu	Testifying for Na'ike LLC	Support	Written Testimony Only

Comments:

We are seeking for the credit to cover 50% of the input transportation cost up to a maximum of \$20,000, and a total cap of \$5M.

HB-607-SD-1

Submitted on: 3/30/2023 8:29:42 AM

Testimony for WAM on 3/31/2023 9:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Troy Person	Individual	Support	Written Testimony Only

Comments:

I strongly support this bill and the farmers that are seeking for the credit to cover 50% of the input transportation cost up to a maximum of \$20,000, and a total cap of \$5M

HB-607-SD-1

Submitted on: 3/30/2023 8:53:06 AM

Testimony for WAM on 3/31/2023 9:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Naomi Melamed	Individual	Support	Written Testimony Only

Comments:

I am a small farmer in a rural area and I support this bill to support more production and sustainability on the islands. Naomi and Yoav Melamed, Kapaau, HI

HB-607-SD-1

Submitted on: 3/30/2023 8:59:45 AM

Testimony for WAM on 3/31/2023 9:45:00 AM

Submitted By	Organization	Testifier Position	Testify
James Fleming	Individual	Support	Written Testimony Only

Comments:

I am writing to support this bill. Farmers need all the help we can get. We are seeking for the credit to cover 50% of the input transportation cost up to a maximum of \$20,000, and a total cap of \$5M. This would help farmers a lot!

Mahalo!

HB-607-SD-1

Submitted on: 3/30/2023 9:21:58 AM

Testimony for WAM on 3/31/2023 9:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Roland Barker	Individual	Support	Written Testimony Only

Comments:

Transporation costs are going up, and farmers and food producers are generally low-margin operations that are nevertheless essential to a healthy state economy. This tax credit is helpful to those that are working to produce and provide locally-produced food. Vote to enact bill HB607

LATE

HB-607-SD-1

Submitted on: 3/30/2023 10:13:17 AM

Testimony for WAM on 3/31/2023 9:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Dennis F Lokmer	Individual	Support	Written Testimony Only

Comments:

I urge strong support for this bill. DFL

LATE

HB-607-SD-1

Submitted on: 3/30/2023 12:17:52 PM

Testimony for WAM on 3/31/2023 9:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Nanea Lo	Individual	Support	Written Testimony Only

Comments:

Hello,

The cost of inter-island transportation is a bottleneck for market access by food producers in Hawaii. This issue is also recognized by the United States Department of Agriculture, which administers a reimbursement transportation cost payment program for geographically disadvantaged farmers and ranchers to reimburse producers for a portion of the cost to transport agricultural commodities or inputs used to produce an agricultural commodity.

Providing an income tax credit like the reimbursement transportation cost payment program that similarly reimburses producers for a portion of the cost to transport agricultural goods between the counties will reduce cost impacts to farm viability and consumer food price and support progress towards the State's Aloha+ Challenge commitment to increase local food consumption and production.

Please support local food producers and distributors and pass HB607.

Thank you for your consideration,

Nanea Lo, Mō'ili'ili