

Honolulu, Hawaii

FEB 11 , 2026

RE: H.B. No. 2017
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Madame:

Your Committee on Agriculture & Food Systems, to which was referred H.B. No. 2017 entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

begs leave to report as follows:

The purpose of this measure is to amend the important agricultural land qualified agricultural cost tax credit to:

- (1) Include Hawaiian home lands designated for subsistence agriculture, supplemental agriculture, or pastoral in the definition of "important agricultural lands"; and
- (2) Expand the definition of "qualified agricultural costs" to include costs relating to the planting of orchard or fruit-bearing crops, which typically take longer to yield or return and the improvement of former sugar and pineapple plantation lands.

Your Committee received testimony in support of this measure from the Department of Hawaiian Home Lands; Hawai'i Farmers Union United; and two individuals. Your Committee received comments on this measure from the Department of Taxation; Department of Agriculture and Biosecurity; and Hawai'i Farm Bureau.



Your Committee finds that incentivizing investments in agricultural lands, especially on Hawaiian home lands will improve agricultural viability and strengthen agriculture on homestead lands. However, your Committee notes that the important agricultural land qualified agricultural cost tax credit was designed to incentivize landowners who accept long-term land-use restrictions by dedicating land in perpetuity for agricultural use. Your Committee believes that establishing an income tax credit for agricultural investment on Hawaiian home lands may better promote agricultural investments on Hawaiian home lands while preserving the integrity and clarity of the important agricultural land framework.

Your Committee has accordingly amended this measure by:

- (1) Deleting language that would have amended the important agricultural land qualified agricultural cost tax credit to include certain Hawaiian home lands, costs associated with the planting of orchard or fruit-bearing crops, and expenditures related to the clearing of former sugar and pineapple plantation lands;
- (2) Establishing a nonrefundable income tax credit for certain qualified agricultural investment costs incurred for agricultural activities conducted on Hawaiian home lands;
- (3) Amending the preamble to reflect its amended purpose;
- (4) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (5) 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 & Food Systems that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2017, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2017, H.D. 1, and be referred to your Committee on Judiciary & Hawaiian Affairs.



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



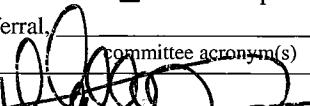
CORY CHUN, Chair



State of Hawaii
 House of Representatives
 The Thirty-third Legislature

HSR 174-26

Record of Votes of the Committee on Agriculture & Food Systems

Bill/Resolution No.:	Committee Referral:	Date:		
HB 2017	AGR, JHA, FIN	2/6/2026		
<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. CHUN, Cory M. (C)	X			
2. KUSCH, Matthias (VC)	7			
3. KAHALOA, Kirstin	X			
4. LOWEN, Nicole E.				X
5. PERRUSO, Amy A.	X			
6. QUINLAN, Sean	X			
7. MATSUMOTO, Lauren	X			
TOTAL (7)	6			1
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	