

Honolulu, Hawaii

FEB 20 , 2026

RE: H.B. No. 2017
H.D. 2

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

Madame:

Your Committee on Judiciary & Hawaiian Affairs, to which was referred H.B. No. 2017, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

begs leave to report as follows:

The purpose of this measure is to, beginning January 1, 2027, establish a nonrefundable income tax credit for certain agricultural investment costs incurred for agricultural activities conducted on Hawaiian home lands.

Your Committee received testimony in support of this measure from the Department of Hawaiian Home Lands and Hawai'i Farm Bureau. Your Committee received comments on this measure from the Department of Taxation.

Your Committee finds that agricultural lessees on Hawaiian home lands face substantial upfront costs for infrastructure, land preparation, and crop establishment that can limit agricultural productivity and long-term viability. Your Committee further finds that providing a targeted income tax credit for qualified agricultural investment costs will support agricultural development, promote food security, and encourage sustained use of Hawaiian home lands for agricultural purposes.

Your Committee has amended this measure by:



- (1) Clarifying the definitions of "eligible taxpayer" and "agricultural business";
- (2) Limiting the ability to carry forward any excess credit to five taxable years;
- (3) Preventing a taxpayer from obtaining a double benefit from claiming the same expenditures and costs for another tax credit or exemption;
- (4) Clarifying how to calculate the credit for entities;
- (5) Including a filing deadline to claim the credit; and
- (6) 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 Judiciary & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2017, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.B. No. 2017, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary &
Hawaiian Affairs,



DAVID A. TARNAS, Chair



HSCR 748-26

Record of Votes of the Committee on Judiciary & Hawaiian Affairs

Bill/Resolution No.: HB 2017 HD1	Committee Referral: AGR, JHA, FIN	Date: 2/18/2026		
<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)				
JHA Members	Ayes	Ayes (WR)	Nays	Excused
1. TARNAS, David A. (C)	✓			
2. POEPOE, Mahina (VC)	✓			
3. BELATTI, Della Au	✓			
4. COCHRAN, Elle		✓	Ⓟ	
5. HASHEM, Mark J.				✓
6. KAHALOA, Kirstin	✓			
7. SAYAMA, Jackson D.				✓
8. TAKAYAMA, Gregg	✓			
9. GARCIA, Diamond		✓	Ⓟ	
10. SHIMIZU, Garner M.		✓	Ⓟ	
TOTAL (10)	5	3	0	2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				