

Honolulu, Hawaii

MAR 24 , 2026

RE: S.B. No. 2805  
S.D. 2  
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 S.B. No. 2805, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

begs leave to report as follows:

The purpose of this measure is to establish a nonrefundable agricultural investment income tax credit to support the expansion of agricultural crops that take longer to become productive.

Your Committee received testimony in support of this measure from the Department of Agriculture and Biosecurity; Hawai'i Farm Bureau; Hawai'i Farmers Union United; Maui Chamber of Commerce; and Chamber of Commerce Hawaii. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that incentivizing investment in agricultural production and infrastructure and supporting the expansion of longer maturing crops through the use of the agricultural investment income tax credit established by this measure will help expand local food production and make agricultural operations in the State more sustainable.

Your Committee has amended this measure by:



- (1) Requiring a taxpayer claiming the agricultural investment income tax credit to submit the required written, sworn statements for the tax credit to the Agribusiness Development Corporation no later than March 31, rather than ninety days, following the end of each taxable year in which qualified agricultural costs were incurred;
- (2) Clarifying that the total amount of agricultural investment income tax credits allowed shall not exceed an unspecified amount for all taxpayers in any calendar year, rather than any taxable year;
- (3) Making the income tax credit applicable to taxable years beginning after December 31, 2026;
- (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 S.B. No. 2805, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2805, S.D. 2, 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,

  
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CORY CHUN, Chair



