

STAND. COM. REP. NO. 2787

Honolulu, Hawaii

MAR 05 2026

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

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2805, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

begs leave to report as follows:

The purpose and intent of this measure is to promote agricultural production in the State.

More specifically, this measure establishes a nonrefundable income tax credit to incentivize significant investment in agricultural production and support the expansion of agricultural crops that take longer to become productive.

Your Committee received written comments in support of this measure from the Agribusiness Development Corporation, Chamber of Commerce Hawaii, Hawaii Farm Bureau, Hawaii Farmers Union, Hawaii Food+ Policy, and an individual.

Your Committee received written comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that agricultural production requires significant capital investment. Irrigation systems, reservoirs, farm roads, processing facilities, equipment, and perennial crop development require substantial upfront investment that often takes years to provide returns. Your Committee believes that the



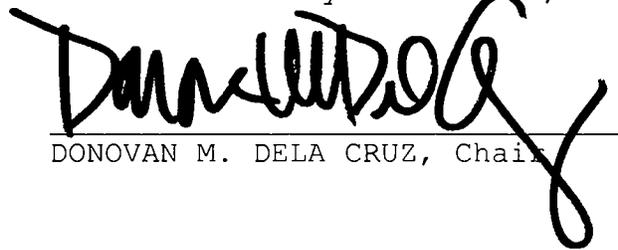
tax credit established by this measure will encourage such investments, strengthen the Hawaii's long-term food security, and help to diversify the State's agricultural economy.

Your Committee has amended this measure by:

- (1) Assigning certification authority for claims of the tax credit to the Agribusiness Development Corporation;
- (2) Limiting to no more than five years the duration during which taxpayers may carry forward excess tax credits; and
- (3) Clarifying that qualified agricultural costs used to claim the tax credit may not be used to claim other tax benefits.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2805, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2805, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,

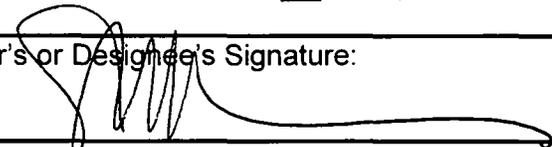


DONOVAN M. DELA CRUZ, Chair



The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2005, 6D1	AEN, WAM	3/3/2026		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	X			
MORIWAKI, Sharon Y. (VC)	X			
DECOITE, Lynn	X			
ELEFANTE, Brandon J.C.	X			
HASHIMOTO, Troy N.	X			
INOUYE, Lorraine R.	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
KIM, Donna Mercado	X			
LEE, Chris	X			
RICHARDS, III, Herbert M. "Tim"	X			
WAKAI, Glenn	X			
FEVELLA, Kurt				X
TOTAL	12	0	0	1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink		
File with Committee Report	Committee	Drafting Agency		

*Only one measure per Record of Votes