

1 determined at the entity level. Distribution and share of
2 credit shall be determined by rule.

3 (c) The tax credit shall be allowed only for the entity
4 incurring the actual cost of the real property tax. If the real
5 property tax is part of the lease rent and not otherwise
6 specified in the lease agreement, the lessor shall provide the
7 lessee with the amount of the real property tax included as part
8 of the lease rent upon request.

9 (d) The total aggregate credits claimed for each taxable
10 year shall not exceed \$10,000,000.

11 (e) If the classification of the important agricultural
12 lands subject to the credit is redesignated, the credit shall no
13 longer be available.

14 (f) If the credit under this section exceeds the
15 taxpayer's tax payments due for the taxable year, the excess of
16 the credits over tax payments due shall be refunded to the
17 taxpayer; provided that the credit properly claimed by the
18 taxpayer who has no income tax liability shall be paid to the
19 taxpayer; and provided further that no refunds or payments on
20 account of the credits allowed by this section shall be made for
21 amounts less than \$1.



1 SECTION 2. Chapter 205, part III, Hawaii Revised Statutes,
2 is amended by adding a new section to be appropriately
3 designated and to read as follows:

4 **"§205- Important agricultural land; residential housing.**

5 A landowner of lands qualifying under section 205-44 may
6 develop, construct, and maintain residential dwelling units for
7 farmers, employees, and their families; provided that:

8 (1) The farmers' dwelling units shall be used exclusively
9 by farmers and their immediate family members who
10 actively and currently farm on the designated
11 important agricultural land upon which the dwelling is
12 situated; provided that the immediate family members
13 of a farmer may live in separate dwelling units
14 situated on the same designated land as the farmer's
15 family's dwelling unit;

16 (2) The employee dwelling units shall be used exclusively
17 by employees and their immediate family members who
18 actively and currently work on the designated
19 important agricultural land upon which the dwelling is
20 situated; provided that the immediate family members
21 of the employee shall not live in separate dwelling
22 units and shall live with the employee;



- 1 (3) The total land area upon which the combined total of
2 farmer and employee dwelling units and all
3 appurtenances are situated shall not occupy more than
4 twenty per cent of the total important agricultural
5 land area controlled by the farmer or the employee's
6 employer;
- 7 (4) The farmers' and employee dwelling units meet all
8 applicable building code requirements;
- 9 (5) Notwithstanding section 205-4.5(a)(12), the landowner
10 shall not plan or develop a residential subdivision on
11 the designated important agricultural land; and
- 12 (6) The plans for farmers' and employee dwelling units
13 shall be supported by agricultural plans that are
14 approved by the department of agriculture."

15 SECTION 3. New statutory material is underscored.

16 SECTION 4. This Act shall take effect on July 1, 2050;
17 provided that section 1 shall apply to taxable years beginning
18 after December 31, 2008.



Report Title:

Important Agricultural Lands; Real Property Tax Credit; Worker Housing

Description:

Establishes a reimbursable real property tax credit for 100% of the actual amount of real property tax paid by taxpayers real property tax assessed on lands designated as important agricultural lands. Provides farmer and employee housing on lands designated as important agricultural lands. (SD2)

