

Organic farming tax breaks mulled

By TOM CALLIS Stephens Media Hawaii

February 2, 2014 - 1:00am

Organic farmers could see more green, and not just in their fields.

Puna makai Councilman Greggor Ilagan has introduced a bill that would give certified organic farms a break on their property taxes.

The legislation, which the County Council's Finance Committee will consider Tuesday, would lower the tax assessment for the farms from as much as \$4,000 per acre to \$420 per acre for nondedicated agriculture land.

With a tax rate of 9.25 percent, the change could mean a reduction in taxes by as much as \$331 per acre.

The move would benefit 56 certified organic farms on the Big Island, totalling 846 acres, Ilagan estimated. Another 1,200 acres of organic ranch land is already at the lower rate, which applies to low-intensity agriculture, he said.

Ilagan, who disappointed many in the organic community by voting against restrictions on genetically modified crops, said he believes the farms should get a break to offset the cost of getting certified and because the work tends to be more labor intensive than conventional farming.

"I brought this bill forward because I felt like this was one of the things we could do in agriculture to help out certified organic farmers," he said.

"It's very labor intensive. The certification costs can range from hundreds to thousands of dollars."

The bill would put them in the same tax category as pasture and slow-rotation forestry. Nonorganic farmers would still face the same higher rates.

Ilagan said he doesn't think the bill creates a fairness issue, noting additional challenges he said organic farmers face.

The bill would not have a significant impact on county tax revenues, Ilagan said, estimating that the difference would be upwards of \$29,000.

He said the legislation, Bill 185, could also encourage more people to become farmers.

The Finance Committee is scheduled to meet at 3:45 p.m. in the Hilo council chambers.

Email Tom Callis at tcallis@hawaiitribune-herald.com.