

Honolulu, Hawaii

March 3, 2006

RE: H.B. No. 2421  
H.D. 2

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Third State Legislature  
Regular Session of 2006  
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2421, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PERFORMING ARTS BUSINESSES,"

begs leave to report as follows:

The purpose of this bill is to stimulate Hawaii's fledgling film, television, and digital media industry by creating a program that allows investors in performing arts qualified high technology businesses (QHTBs) to turn over their investment tax credits to the business they invested in. That business may then transfer the QHTB tax credits back to the State for 20 percent of their face value. This scheme will redirect a higher percentage of local investment dollars towards smaller, independent QHTBs.

The Department of Taxation and Department of Business, Economic Development, and Tourism testified in support of this bill.

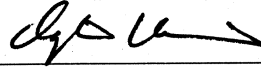
Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for consistency, clarity, and style.



As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2421, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2421, H.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Finance,



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DWIGHT TAKAMINE, Chair



State of Hawaii  
House of Representatives  
The Twenty-third Legislature

HSCR 767-06

**Record of Votes of the Committee on Finance**

<b>Bill/Resolution No.:</b> HB 2421, HD1	<b>Date:</b> 2-24-06			
<b>Committee Referral:</b> EDB/TAC, FIN	<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.			
<b>The recommendation is to:</b> <input type="checkbox"/> Pass, unamended <input checked="" type="checkbox"/> Pass, with amendments <input type="checkbox"/> Hold <input type="checkbox"/> Recommit				
<b>FIN Members</b>	<b>Ayes</b>	<b>Ayes (WR)</b>	<b>Nays</b>	<b>Excused</b>
1. TAKAMINE, Dwight Y. (C)	.			✓
2. KAWAKAMI, Bertha C. (VC)	✓			
3. CARROLL, Mele	.			✓
4. CHONG, Pono	✓			
5. EVANS, Cindy	✓			
6. LEE, Marilyn B.	✓			
7. MAGAOAY, Michael Y.	✓			
8. NAKASONE, Bob	✓			
9. NISHIMOTO, Scott Y.	✓			
10. TANAKA, Kameo	✓			
11. TSUJI, Clift	.			✓
12. WAKAI, Glenn	✓			
13. YAMANE, Ryan I.	✓			
14. YAMASHITA, Kyle T.	✓			
15. MEYER, Colleen Rose	.			✓
16. MOSES, Mark S.	✓			
17. PINE, Kymberly	✓			
18. STEVENS, Anne V.	✓			
<b>TOTAL</b>	14			4
<b>The recommendation is:</b> <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: 				
<b>Distribution:</b> Original (White) – Committee    Duplicate (Yellow) – HMSO    Duplicate (Pink) – Clerk's Office				