

Honolulu, Hawaii

March 3, 2006

RE: H.B. No. 3080  
H.D. 1

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. 3080 entitled:

"A BILL FOR AN ACT RELATING TO DIGITAL MEDIA,"

begs leave to report as follows:

The purpose of this bill is to promote the motion picture, digital media, and film industries in Hawaii by temporarily replacing the existing 7.25 percent Motion Picture and Film Production Tax Credit with the Motion Picture, Digital Media, and Film Production Tax Credit (New Tax Credit). Specifically, this bill:

- (1) Establishes the amount of the New Tax Credit at 15 percent of qualified production costs incurred in any county with a population of over 700,000;
- (2) Establishes the amount of the New Tax Credit at 20 percent of qualified production costs incurred in any county with a population of 700,000 or less;
- (3) Establishes criteria to qualify for the New Tax Credit; and
- (4) Limits the New Tax Credit to \$8,000,000 per qualified production.



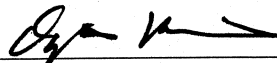
The Department of Business, Economic Development and Tourism, Department of Taxation, Maui Film Office, Big Island Film Office, Hawaii Film & Entertainment Board, Screen Actors Build Hawaii Branch, International Alliance of Theatrical State Employees, Mixed Local 665, American Federation of Musicians, Local 667, and a concerned individual testified in support of this bill. The Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, 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. 3080, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3080, H.D. 1.

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

  
\_\_\_\_\_  
DWIGHT TAKAMINE, Chair



State of Hawaii  
House of Representatives  
The Twenty-third Legislature

HSCR 923-96

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

<b>Bill/Resolution No.:</b> <div style="text-align: right; padding-right: 20px;">HB 3080</div>	<b>Date:</b> <div style="text-align: right; padding-right: 20px; font-size: 24pt; font-weight: bold;">3.1.06</div>			
<b>Committee Referral:</b> <div style="text-align: right; padding-right: 20px;">TAC, FIN</div>	<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.			
<b>The recommendation is to:</b> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div style="width: 45%;"> <input type="checkbox"/> Pass, unamended   <input type="checkbox"/> Hold         </div> <div style="width: 45%;"> <input checked="" type="checkbox"/> Pass, with amendments   <input type="checkbox"/> Recommit         </div> </div>				
<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>	16			2
<b>The recommendation is:</b> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div style="width: 45%;"> <input checked="" type="checkbox"/> Adopted   <input type="checkbox"/> Not Adopted         </div> <div style="width: 45%;">           If joint referral, _____ did not support recommendation.  <div style="text-align: center; padding-left: 100px;">committee acronym(s)</div> </div> </div>				
<b>Vice Chair's or designee's signature:</b> <div style="text-align: center; padding: 10px 0;"> </div>				
<b>Distribution:</b> Original (White) – Committee    Duplicate (Yellow) – HMSO    Duplicate (Pink) – Clerk's Office				