
A BILL FOR AN ACT

RELATING TO DIGITAL MEDIA.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 235-17, Hawaii Revised Statutes, is
2 amended by amending subsection (e) to read as follows:

3 "(e) Claims for credit under this section shall be subject
4 to the following limitations:

5 (1) On or after July 1, 2006, no qualified production cost
6 that has been financed by investments for which a
7 credit was claimed by any taxpayer pursuant to section
8 235-110.9 is eligible for credits under this
9 section[-];

10 (2) Qualified production costs that are financed by state
11 funds shall not be eligible for credits under this
12 section; and

13 (3) After June 30, 2008, no taxpayer shall be eligible to
14 claim the tax credit under this section for qualified
15 productions that are financed, in whole or in part, by
16 investments for which a credit has been claimed by the
17 taxpayer as a qualified high technology business under



1 section 235-110.9. If a claim for credit is made
2 under this section after June 30, 2008, the taxpayer
3 shall no longer qualify for the credit under section
4 235-110.9 and any credit that has been claimed under
5 that section shall be subject to recapture under
6 section 235-110.9(d)."

7 SECTION 2. (a) The department of labor and industrial
8 relations shall establish an advisory group consisting of
9 members from the University of Hawaii, including the community
10 colleges and the academy for creative media, the Hawaii film
11 office, and trade unions, to conduct a study on the issues
12 relating to the hiring practices of motion picture, digital
13 media, and film productions in Hawaii, including specific
14 consideration of ways to promote local hiring.

15 (b) The advisory group shall submit a report on its
16 findings and recommendations to the legislature no later than
17 twenty days prior to the convening of the regular session of
18 2009.

19 SECTION 3. Statutory material to be repealed is bracketed
20 and stricken. New statutory material is underscored.

21 SECTION 4. This Act shall take effect on July 1, 2059.



Report Title:

Digital Media; Tax Credit; Appropriation

Description:

Prohibits taxpayers from claiming the Motion Picture, Digital Media, and Film Production Tax Credit for qualified productions that are financed by investments for which a credit has been claimed under the High Technology Business Investment Tax Credit. Establishes an advisory group to study issues in hiring local talent for the film industry, with specific consideration for promoting local hiring. (SB2273 HD3)

