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ECONOMIC DEVELOPMENT & TOURISM**

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Statement of
THEODORE E. LIU
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Department of Business, Economic Development, and Tourism
before the

HOUSE COMMITTEE ON FINANCE

Thursday, March 27, 2008

4:00 p.m.

State Capitol, Conference Room 308

in consideration of

SB 2273, SD2, HD2

RELATING TO DIGITAL MEDIA.

Chair Oshiro, Vice-Chair Lee, and members of the Committee.

The Department of Business, Economic Development & Tourism (DBEDT) supports the intent of SB 2273, SD2, HD2. However, we recommend minor changes to the language of the proposed measure.

SB 2273, SD2, HD2, seeks to prevent double dipping between the high technology investment tax credit under Section 235-110.9 and the 15-20% refundable production tax credit under section 235-17. We support the need to prevent double dipping which was the Legislature's intent when this measure first passed. However, we defer to the Department of Taxation to provide specific language to prevent double dipping, as we believe that the current language is not strong enough. We agree with Section 1 (2) which states that qualified production costs that are financed by public funds from the State shall not be eligible for credits under this section.

This measure also seeks to have the Department of Labor and Industrial Relations (DLIR) establish an advisory group to study the hiring practices of the film industry.

DBEDT supports the idea of establishing an advisory group under DLIR to study the issues and challenges relating to the hiring practices of the film industry with specific attention paid to ways the state can encourage greater work opportunities for our local labor force. We would suggest that the language of the advisory group members should be amended in order to provide the opportunity for greater representation of the diverse industry:

“Section 2. (a) The department of labor and industrial relations shall establish an advisory group **which may** consist of, **but not be limited to**, members from the University of Hawaii, including the community colleges and the academy of creative media, the Hawaii Film Office, and trade unions, to conduct a study on the issues relating to the hiring practices of motion picture, digital media, and film productions in Hawaii; provided that the study include specific consideration of ways to promote local hiring.”

We appreciate DLIR’s willingness to absorb the cost to establish and coordinate the activities of such an advisory group thereby eliminating the need for an appropriation in this measure.

Thank you for this opportunity to comment on this bill.