STAND. COM. REP. NO. 565 -10

Honolulu, Hawaii

Feb 26 , 2010

RE: H.B. No. 2382

H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fifth State Legislature Regular Session of 2010 State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2382, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this bill is to further develop Hawaii's digital media industry by:

- (1) Establishing digital media enterprise subzones within enterprise zones and surrounding University of Hawaii (UH) campuses, with the initial subzone located near the UH-West Oahu campus;
- (2) Establishing a Digital Media Infrastructure Tax Credit (Infrastructure Credit) and Digital Media Enterprise Subzone Workforce Development Tax Credit (Workforce Credit) for infrastructure development and Hawaii workforce employment within these subzones;
- (3) Encouraging insurance companies to invest in digital media infrastructure projects by authorizing the use of the Infrastructure Credit to offset state taxes on insurance companies;
- (4) Renaming the Hawaii Television and Film Special Fund the Hawaii Film Office Special Fund and expanding the fees and rents to be deposited into the fund; and

(5) Allowing the imposition of fees for the administration and certification of the tax credits, which are to be deposited in the Hawaii Film Office Special Fund.

The UH Academy for Creative Media, Hawaii Animation Studios, Island Film Group, The Pacific Resource Partnership, and several concerned individuals testified in support of this bill. The Department of Taxation opposed this measure. The Department of Business, Economic Development, and Tourism and Tax Foundation of Hawaii offered comments.

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. 2382, H.D. 1, and recommends that it pass Third Reading.

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

MARCUS R. OSHIRO, Chair

State of Hawaii House of Representatives The Twenty-fifth Legislature



Record of Votes of the Committee on Finance

HB 2382, HD1 EBN	e Referral: 9/HED, F	IN Date	2/18	10
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. OSHIRO, Marcus R. (C)	V			
2. LEE, Marilyn B. (VC)				
3. AQUINO, Henry J.C.				
4. AWANA, Karen Leinani	[30/sto 18:11 none 4 1 1	11-12-11-11-11-11-11-11-11-11-11-11-11-1		T
5. BROWER Tom				The second secon
6. CHOY, Isaac W.	PENT PRODUCES CO. B. C. C.	orana i romanarana	Assistation of the second	
7. COFFMAN, Denny				
8. HAR, Sharon E.		The service of the section of	Design of the second	
9. KEITH-AGARAN, Gilbert S.C.				
10. LEE, Chris			NATIONAL CONTRACTOR OF THE PROPERTY OF THE PRO	
11. NISHIMOTO, Scott Y. 12. SAGUM, Roland D., III				
13. TOKIOKA, James Kunane				CONTROL STREET
14. WOOLEY, Jessica				
15. YAMASHITA, Kyle T.				
16. FINNEGAN, Lynn	\	malyline ils. 11 1980 11 12	- 11- 21 17/29414.	
17. WARD, Gene	V and			
TOTAL (17)	14	1	0	2
The recommendation is: Adopted If joint referral, committee acronym(s) Adopted did not support recommendation.				
Vice Chair's or designee's signature: Maril B. Lee				
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