

STAND. COM. REP. NO. 925

Honolulu, Hawaii

March 4, 2011

RE: H.B. No. 1308
H.D. 2

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1308, 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 spur the growth of the digital media industry in Hawaii by:

- (1) Establishing digital media enterprise subzones in geographic areas surrounding University of Hawaii campuses that are also within existing enterprise zones;
- (2) Providing tax benefits for the development, construction, renovation or operation of qualified digital media infrastructure projects within a digital media enterprise subzone;
- (3) Renaming the Hawaii Television and Film Development Board the Hawaii Film Office Board;
- (4) Renaming the Hawaii Television and Film Development Special Fund the Hawaii Film Office Special Fund;
- (5) Providing that the rent from usage of the Hawaii Film Studio and fees collected for processing taxpayer letters and the tax credit certification program will



temporarily be deposited into the Hawaii Film Office Special Fund; and

- (6) Providing that the Hawaii Film Office Special Fund will be used initially to fund the Hawaii Film Office and later a grant and venture capital program to support eligible Hawaii film projects.

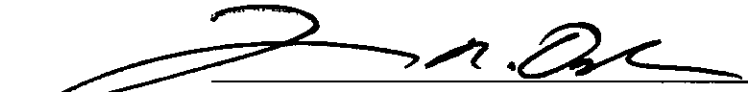
The Department of Business, Economic Development, and Tourism, Department of Taxation, Office of Information Practices, University of Hawaii, and Tax Foundation of Hawaii provided comments on this bill.

Your Committee has amended this bill by:

- (1) Increasing the tax credit recapture to 90 percent of the amount of the total tax credit claimed in the preceding two taxable years; 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. 1308, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1308, H.D. 2.

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



MARCUS R. OSHIRO, Chair



