

Honolulu, Hawaii

FEB 15 2011

RE: S.B. No. 1411
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Economic Development and Technology, to which was referred S.B. No. 1411 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to provide tax credits for the investment, transportation expenditures, and certain payroll costs associated with a qualified live musical or theatrical production or qualified musical or theatrical facility infrastructure project. The intent of this measure is to establish Hawaii as a primary location in which to debut a live musical or theatrical production and in which to base a production company.

Your Committee received testimony in support of this measure from the International Alliance of Theatrical and Stage Employees Local 665 and two individuals. Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism; Department of Taxation; and the Tax Foundation of Hawaii.

Your Committee finds that the lingering economic downturn has had a profound effect on Hawaii's arts, music, and creative community as funding sources have disappeared or been significantly reduced. The essential support that this measure would provide through a tax credit for qualified live musical or theatrical productions or musical or theatrical facility infrastructure projects would help to stem these losses, while



establishing Hawaii as an esteemed venue for musical and theatrical productions.

Your Committee has heard a number of related measures and believes the merits of all require further deliberation. Your Committee has amended this measure accordingly, by:

- (1) Inserting an effective date of July 1, 2050, to allow for further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1411, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1411, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development and Technology,



CAROL FUKUNAGA, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Economic Development and Technology
EDT

Bill / Resolution No.:* SB1411	Committee Referral: EDT, WAM	Date: 2/11/11		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
FUKUNAGA, Carol (C)	✓			
WAKAI, Glenn (VC)	✓			
BAKER, Rosalyn H.	✓			
SOLOMON, Malama				✓
SLOM, Sam				✓
TOTAL	3	0	0	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes