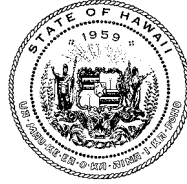


LATE TESTIMONY

NEIL ABERCROMBIE
GOVERNOR

BRIAN SCHATZ
LT. GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION
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FREDERICK D. PABLO
INTERIM DIRECTOR OF TAXATION

RANDOLF L. M. BALDEMOR
DEPUTY DIRECTOR

LATE

SENATE COMMITTEES ON ECONOMIC DEVELOPMENT & TECHNOLOGY AND EDUCATION

TESTIMONY OF THE DEPARTMENT OF TAXATION REGARDING SB 1133 RELATING TO DIGITAL MEDIA

TESTIFIER: FREDERICK D. PABLO, INTERIM DIRECTOR OF
TAXATION (OR DESIGNEE)
COMMITTEE: EDT-EDU
DATE: FEBRUARY 11, 2011
TIME: 2:45PM
POSITION: OPPOSED TO TRANSFERABLE CREDITS;
CONCERNED WITH COSTS

This measure establishes digital media enterprise subzones surrounding the University of Hawaii campus, which includes certain tax benefits.

The Department of Taxation (Department) **opposes the provision allowing transferability of credits**, and raises **concerns regarding its revenue loss**.

DEFERRAL TO DBEDT—The Department defers to the Department of Business, Economic Development & Tourism on whether the enterprise zone incentives should be expanded to include this program.

NOT FACTORED INTO BUDGET—The Department must be cognizant of the biennium budget and financial plan. This measure has not been factored into either.

REVENUE IMPACT—This measure will result in an indeterminate revenue loss because its provisions are blank.