

STAND. COM. REP. NO.

455

Honolulu, Hawaii

February 15, 2013

RE: H.B. No. 726
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Sir:

Your Committee on Economic Development & Business, to which was referred H.B. No. 726 entitled:

"A BILL FOR AN ACT RELATING TO FILM AND DIGITAL MEDIA INDUSTRY DEVELOPMENT,"

begs leave to report as follows:

The purpose of this measure is to encourage new film, television, entertainment, digital media, and music production in Hawaii by:

- (1) Increasing the amount of the Motion Picture, Digital Media, and Film Production Income Tax Credit for qualified production costs incurred by a qualified production to:
 - (A) Twenty percent in any county of the State with a population of over seven hundred thousand; and
 - (B) Twenty-five percent in any county of the State with a population of seven hundred thousand or less;
- (2) Eliminating the cap on the tax credit that may be claimed per qualified production; and
- (3) Extending the Motion Picture, Digital Media, and Film Production Income Tax Credit until 2023.

HB726 HD1 HSCR EDB HMS 2013-2061



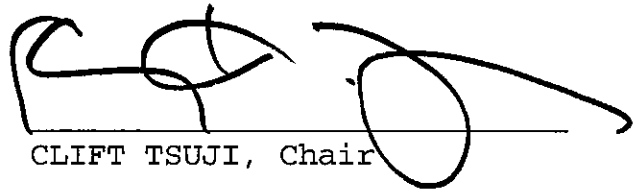
NBC Universal Media, LLC; Maui Chamber of Commerce; and Island Film Group testified in support of this measure. The Department of Business, Economic Development, and Tourism; Department of Taxation; Tax Foundation of Hawaii; and Honolulu Film Office submitted comments.

Your Committee has amended this measure by:

- (1) Changing the percentage increases in the amount of the tax credit for qualified production costs incurred by a qualified production to unspecified amounts;
- (2) Reinserting language establishing the cap on the tax credit that may be claimed per qualified production but leaving the amount of the cap as an unspecified amount; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 726, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 726, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development & Business,



CLIFT TSUJI, Chair



State of Hawaii
House of Representatives
The Twenty-seventh Legislature

HSCR 455

Record of Votes of the Committee on Economic Development & Business

Bill/Resolution No.: HB 726	Committee Referral: EDB, FIN	Date: 2/12/13		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
EDB Members	Ayes	Ayes (WR)	Nays	Excused
1. TSUJI, Clift (C)	/			
2. WARD, Gene (VC)	/			
3. BROWER, Tom	/			
4. CACHOLA, Romy M.				/
5. CHOY, Isaac W.	/			
6. OHNO, Takashi	/			
7. ONISHI, Richard H.K.	/			
8. TAKAYAMA, Gregg	/			
9. TOKIOKA, James Kunane				
TOTAL (9)	8	0	0	1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral _____ committee acronym(s) did not support recommendation.				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				