

Honolulu, Hawaii
February 28, 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 Finance, to which was referred H.B. No. 726, H.D. 1, 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 video production in Hawaii by:

- (1) Extending the expiration date of the motion picture, digital media, and film production income tax credit to January 1, 2023;
- (2) Increasing the motion picture, digital media, and film production tax credit ceiling for each qualified production to an unspecified amount; and
- (3) Increasing, by an unspecified amount, the percentage of qualified production costs that may be claimed as a credit, in counties with a population both above or below 700,000 persons.

The Mayor of Maui County provided testimony in support of this measure. The Department of Taxation; Department of Business, Economic Development, and Tourism; SAG-AFTRA, International Alliance of Theatrical State Employees Mixed Local 665, American



Federation of Musicians Local 677, and Hawaii Teamsters Local 996; NBC Universal Media, LLC; and Tax Foundation of Hawaii provided comments on this measure.

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

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

A handwritten signature in black ink, appearing to read 'SYLVIA LUKE', is written over a horizontal line. The signature is stylized and somewhat cursive.

SYLVIA LUKE, Chair



