

NEIL ABERCROMBIE
GOVERNOR

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LATE

To: The Honorable Cliff Tsuji, Chair
and Members of the House Committee on Economic Development & Business

Date: Tuesday, February 12, 2013
Time: 9:00 a.m.
Place: Conference Room 312, State Capitol

From: Frederick D. Pablo, Director
Department of Taxation

Re: H.B. 726 Relating to Film and Digital Media Industry Development

The Department of Taxation (Department) defers to the Department of Business, Economic Development, and Tourism (DBEDT) on the merits of H.B. 726 and the Department of Budget and Finance on the revenue impact of this bill on the State's financial plan.

H.B. 726 increases in the motion picture, digital media, and film production tax credit amount from 15% to 20% of the qualified production costs incurred in a county with a population over 700,000, and from 20% to 25% of the qualified production costs incurred in a county with a population of 700,000 or less, repeals the credit ceiling of \$8 million per qualified production, and extends the sunset date of Act 88, Session Laws of Hawaii 2006, from January 1, 2016 to January 1, 2023.

Thank you for the opportunity to provide comments.