



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

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Statement of
RICHARD C. LIM
Director

Department of Business, Economic Development and Tourism
before the

SENATE COMMITTEE ON WAYS AND MEANS

Thursday, February 21, 2013

9:00 a.m.

State Capitol, Conference Room 211
in consideration of

**SB463, SD1
RELATING TO FILM AND DIGITAL MEDIA INDUSTRY DEVELOPMENT.**

Chair Ige, Vice Chair Kidani and Members of the Committee.

The Department of Business, Economic Development and Tourism (DBEDT) offers comments on SB463, SD 1, which extends the repeal date of Act 88, SLH 2006, from January 1, 2016, to January 1, 2023; repeals the \$8 million cap on the tax credit that may be claimed per qualified production; and increases the amount of the credit. SB463, SD1 also introduces a new non-refundable credit equal to 25 percent of the qualified costs for qualified digital media infrastructure projects, specifically in West Oahu or the most populous island in a County with a population of 100,000 to 175,000.

While new infrastructure development is needed for increasing statewide growth of Hawaii's film industry, limiting the scope of the credit to two specific communities to the exclusion of other Counties in the State is not something DBEDT is able to support. We recommend consideration of a feasibility study, as requested in the department's CIP budget to best determine the size, scope and location of a digital media complex.

At this juncture, DBEDT is not able to support the 5% increase to the base credit as proposed in SB463, SD1 given that conservatively, an increase of 5% would cost the state an estimated \$5.25M. Given the State's current economic situation any increase would not be fiscally prudent at this time. We prefer the language that was in the Administration's Bill, SB 1029.

Thank you for the opportunity to testify on this measure.

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: mendezj@hawaii.edu
Subject: *Submitted testimony for SB463 on Feb 21, 2013 09:00AM*
Date: Tuesday, February 19, 2013 10:40:16 AM

SB463

Submitted on: 2/19/2013

Testimony for WAM on Feb 21, 2013 09:00AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	Individual	Oppose	No

Comments:

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