STAND. COM. REP. NO. 1539 -14

Honolulu, Hawaii

April 4

, 2014

E: S.B. No. 2079

S.D. 2

H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Seventh State Legislature Regular Session of 2014 State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 2079, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE MOTION PICTURES, DIGITAL MEDIA, AND FILM PRODUCTION INCOME TAX CREDIT,"

begs leave to report as follows:

The purpose of this measure is to amend the Motion Picture, Digital Media, and Film Production Income Tax Credit (Tax Credit) by:

- (1) Requiring a film production to:
 - (A) Comply with all applicable statutes, ordinances, rules, and regulations of the federal, state, and county governments to qualify for the Tax Credit; and
 - (B) Secure all necessary film permit approvals with the appropriate state or county agency if film production takes place on state or county property;
- (2) Prohibiting qualified production costs that have been financed with state funds from qualifying for the Tax Credit beginning on July 1, 2014; and

(3) Prohibiting reality television programming from qualifying for the Tax Credit.

The Department of Land and Natural Resources supported this measure. Island Film Group opposed this measure. The Department of Business, Economic Development, and Tourism; Department of Taxation; and Tax Foundation of Hawaii commented on this measure.

Your Committee has amended this measure by making technical, nonsubstantive amendments for clarity, consistency, and style.

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 S.B. No. 2079, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2079, S.D. 2, H.D. 1.

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

SYLVIA LUKE, Chair

State of Hawaii House of Representatives HSCR 1539-14 The Twenty-seventh Legislature

Record of Votes of the Committee on Finance

Bill/Resolution No.:	Committee 1		I	Date:		
SB 2079, SD 2	EDB, FIN			3/27/2014		
☐ The committee is reconsidering its previous decision on the measure.						
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)						
FIN Members		Ayes	Ayes (WR	Nays	Excused	
1. LUKE, Sylvia (C)						
2. NISHIMOTO, Scott Y. (VC)						
3. JOHANSON, Aaron Ling (VC)						
4. CULLEN, Ty J.K.			OWNERS OF THE PARTY OF THE PART			
5. HASHEM, Mark J.						
6. ING, Kaniela	40.000		SE-5. ***			
7. JORDAN, Jo						
8. KOBAYASHI, Bertrand			Saker were the common to the	Chranes and the control of the contr	Control of the Contro	
9. LOWEN, Nicole E.						
10. MORIKAWA, Dee					Average and application of the control of the contr	
11. ONISHI, Richard H.K.					de a due	
12. TAKAYAMA, Gregg						
13. TOKIOKA, James Kunane						
14. WOODSON, Justin H.15. YAMASHITA, Kyle T.						
16. FUKUMOTO, Beth	10000000000000000000000000000000000000					
17. WARD, Gene						
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TOTAL (17)		15			(
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)						
Vice Chair's or designee's signature:						
Distribution: Original (White) - Committee Duplicate (Yellow) - Chief Clerk's Office Duplicate (Pink) - HMSO						