

Honolulu, Hawaii

April 4, 2014

RE: 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



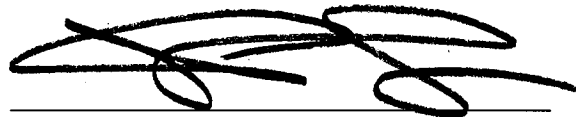
- (3) Prohibiting reality television programming from qualifying for the Tax Credit.

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



