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# A BILL FOR AN ACT

RELATING TO INCOME TAX CREDITS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. Section 235-17, Hawaii Revised Statutes, is  
2 amended as follows:

3           1. By amending subsection (d) to read:

4           "(d) To qualify for this tax credit, a production shall:

5           (1) Meet the definition of a qualified production  
6           specified in subsection (1);

7           (2) Have qualified production costs totaling at least  
8           \$200,000;

9           (3) Provide the State, at a minimum, a shared-card, end-  
10           title screen credit, where applicable;

11           (4) Provide evidence of reasonable efforts to hire [~~local~~]  
12           at least sixty per cent of the production's talent and  
13           crew[+] from the county in which the qualified  
14           production costs are incurred; provided that this  
15           requirement shall not apply to hired individuals who  
16           principally add to the creative direction, process,  
17           voice, and narrative of the production, including but



1 not limited to the screenwriter, producer, director,  
2 and on-camera, mic, or voice-over talent; and

3 (5) Provide evidence of financial or in-kind contributions  
4 or educational or workforce development efforts, in  
5 partnership with related local industry labor  
6 organizations, educational institutions, or both,  
7 toward the furtherance of the local film and  
8 television and digital media industries."

9 2. By amending subsection (h) to read:

10 "(h) Every taxpayer claiming a tax credit under this  
11 section for a qualified production shall, no later than ninety  
12 days following the end of each taxable year in which qualified  
13 production costs were expended, submit a written, sworn  
14 statement to the department of business, economic development,  
15 and tourism, identifying:

16 (1) All qualified production costs as provided by  
17 subsection (a), if any, incurred in the previous  
18 taxable year;

19 (2) The amount of tax credits claimed pursuant to this  
20 section, if any, in the previous taxable year; and



1           (3) The number of total hires versus the number of local  
2           hires by category and by county[-]; provided that the  
3           taxpayer shall verify the county of residency of local  
4           hires.

5 This information may be reported from the department of  
6 business, economic development, and tourism to the legislature  
7 in redacted form pursuant to subsection (i)(4)."

8           SECTION 2. Statutory material to be repealed is bracketed  
9 and stricken. New statutory material is underscored.

10           SECTION 3. This Act, upon its approval, shall apply to  
11 taxable years beginning after December 31, 2015.



**Report Title:**

Motion Picture Income Tax Credit

**Description:**

Requires a film production to make reasonable efforts to hire at least sixty per cent of the production's crew from the county in which the film's qualified costs are incurred. Requires a taxpayer claiming a motion picture income tax credit to verify the county of residency of local hires. (HB2610 HD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

