

**TESTIMONY OF NBC UNIVERSAL MEDIA, LLC. IN SUPPORT OF H.B. NO. 2088, HD 1, SD 1 RELATING TO FILM AND DIGITAL MEDIA INDUSTRY DEVELOPMENT**

DATE: Monday, April 4, 2016

TIME: 2: 00 pm

**To:** Chairperson Jill Tokuda and Members of the Senate Committee on Ways and Means:

The purpose of this bill is to extend the qualified production tax credit from December 31, 2018 to December 31, 2024, a period of five years. The original legislation which was passed in 2013 and signed into law as Act 89, which increased the film tax credit by 5% is to sunset on January 1, 2019.

NBC Universal Media, LLC (“NBC/U”) supports this bill and in particular the SD 1 which extends the sunset date to January 1, 2024. This will enable the film studios and producers to plan accordingly and to be assured that the film tax credit will survive for the next eight years. The planning, development and actual production of a film or television series involves several years. NBC/U together with other film and TV producers in the industry feel that an extended sunset date will foster the continued growth of the film and media industry in Hawaii.

NBC Universal Media, LLC (“NBC/U”) develops, produces, broadcasts and distributes motion pictures, television programs and related content around the world. Over the last several years the Hawaii Legislature and the people of Hawaii have developed a clear consensus that the motion picture, television and related digital media industries (the “Film Industry”) in Hawaii has become an important component of a diversified economy and has had a positive financial impact on the State of Hawaii which

can be strengthened significantly if Hawaii's existing incentives for the Film Industry are continued.

While Hawaii may be perceived as a highly desirable destination that would instinctively attract the Film Industry, the State needs to take affirmative steps to ensure Hawaii is at the top of the list and not left behind in the wake of other domestic and international locales. HB 2088 will help to ensure that Hawaii is competitive with film destinations around the globe and does so in a manner that is sustainable and rational for the long term. NBC/U stands ready to work with the Hawaii Legislature, the Administration and local Film Industry stakeholders to continue, improve and enhance Hawaii's film incentive program to help build a robust, stable and sustainable Film Industry in the State of Hawaii.

NBC/U feels that as a result of the various film and television productions that the Film Industry has brought to Hawaii, there has been a significant increase in spending within the state and growth in workforce development due to these film and television productions. Further, such productions stimulate more direct and indirect tax revenue and that a properly designed tax incentive program can actually increase local tax revenues.

NBC/U strongly feels that in order to stimulate such dramatic growth it is necessary to continue Hawaii's existing tax incentive program in order to allow Hawaii to effectively compete with other film production centers in attracting a greater number of significant projects to the islands and to continue to build Hawaii's local film industry. We feel that this bill will accomplish these goals. The provisions of this bill will result in:

1. An infusion of significant amounts of new money into the economy, which in turn will benefit Hawaii's businesses and residents; and
2. Creating skilled, high-paying jobs; and
3. Creating a natural synergy with Hawaii's top industry, tourism, and can be used as a destination marketing tool for the visitor industry; and
4. Also acting to enhance Hawaii's music industry and thereby introducing millions of people around the world to Hawaii's recording artists, music, and dance.

The Film Industry also has a strong desire to hire locally and invest in the training and workforce development of island-based personnel and intends to continue the practice of hiring a significant number of residents and to support training and opportunities for those residents.

NBC/U supports the basic provisions of this bill relating to the qualified production tax credit and advocates for extension of the sunset date.

Thank you for the opportunity to present this testimony in support of this bill.