
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 Hire at least sixty per cent of the production's
13 talent and crew[-] from the county in which the
14 qualified production costs are incurred; provided that
15 this requirement shall not apply to hired individuals
16 who principally add to the creative direction,
17 process, voice, and narrative of the production,



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

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

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

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

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

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



H.B. NO. 2610

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 Statutory material to be repealed is bracketed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.

12

INTRODUCED BY:

Mark Ah
R. Kolch
Lyn DeLoite
C. K. Can
J. K. M
Tom Bann
[Signature]

[Signature]
[Signature]
John M. [Signature]
Cindy [Signature]
Nicole E. [Signature]
[Signature]
[Signature]



H.B. NO. 2610

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.

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





DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

DAVID Y. IGE
GOVERNOR

LUIS P. SALAVERIA
DIRECTOR

MARY ALICE EVANS
DEPUTY DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Web site: dbedt.hawaii.gov

Telephone: (808) 586-2355
Fax: (808) 586-2377

Statement of
Luis P. Salaveria
Director

Department of Business, Economic Development, and Tourism
HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS

Tuesday, February 09, 2016

9:00 AM

State Capitol, Conference Room 312

In consideration of
HB2610
RELATING TO INCOME TAX CREDITS.

Chair Kawakami, Vice Chair Kong, and Members of the House Committee on Economic Development & Business.

The Department of Business, Economic Development and Tourism (DBEDT) opposes HB2610, which would mandate that any production applying for the tax credit must hire at least 60 percent of the production's talent and crew from the county in which the qualified production costs are incurred.

While we wholeheartedly support the idea of productions hiring more local residents we do not want to create a disincentive for this successful tax credit program, which is attracting new film business to Hawaii and creating well-paying jobs for Island residents—on average 2,500 jobs annually—just as the Legislature intended.

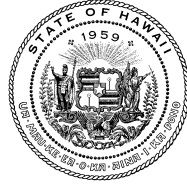
Currently, most film activity takes place on the island of Oahu because the majority of film infrastructure, talent and crew reside on Oahu. The 5% additional tax credit benefit that productions receive for filming on the other Islands was specifically designed to draw more business to the Neighbor Islands, showcase diverse locations statewide, and develop more film infrastructure and crew base there. Requiring a resident hiring quota from Neighbor Islands could discourage productions from deciding to film on the Neighbor Islands if they are not able to meet such a hiring quota.

While we do encourage increasing the Neighbor Island qualified crew base, we defer to our film industry labor unions as to the current state of Neighbor Island capacity which we believe is well below 60 percent.

Thank you for the opportunity to testify on this measure.

DAVID Y. IGE
GOVERNOR

SHANTSUTSUI
LT. GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809
PHONE NO: (808) 587-1540
FAX NO: (808) 587-1560

MARIA E. ZIELINSKI
DIRECTOR OF TAXATION

JOSEPH K. KIM
DEPUTY DIRECTOR

To: The Honorable Derek S.K. Kawakami, Chair
and Members of the House Committee on Economic Development & Business

Date: February 9, 2016
Time: 9:00 A.M.
Place: Conference Room 312, State Capitol

From: Maria E. Zielinski, Director
Department of Taxation

Re: H.B. 2610, Relating to Film Media Industry Development.

The Department of Taxation (Department) defers to the Department of Business Economic Development and Tourism on the merits of H.B. 2610, and offers the following comments for your consideration.

H.B. 2610 amends section 235-17 (d), Hawaii Revised Statutes, to require a production company claiming the motion picture, digital media, and film production income tax credit to hire at least 60% of the production's talent and crew from the county in which the qualified production costs are incurred, provided certain individuals are exempted from this provision. H.B. 2610 also requires the production company to verify the county of residency of local hires. H.B. 2610 applies to taxable years beginning after December 31, 2015.

The Department notes that production companies that already began their productions prior to this measure becoming law may have difficulty meeting the requirement. Therefore, it may be more feasible to change the effective date to taxable years beginning after December 31, 2016.

This measure does not have an impact on the Department's administration of the film tax credit and notes the importance of the Hawaii Film Office's role in the administration of the film tax credit. The Hawaii Film Office acts as a gatekeeper of the film tax credit, by pre-qualifying productions, certifying qualified production costs, and certifying the amount of film tax credits claimed by qualified productions for each taxable year. The Department supports a continued partnership with the Hawaii Film Office in the administration of the film tax credit.

Thank you for the opportunity to provide comments.

LATE

kong2 - Christie

From: jlembreeco@aol.com
Sent: Monday, February 08, 2016 12:59 PM
To: kong2 - Christie
Subject: Fwd: HB2610

I, Jerald Embree, am the owner of Hawaii Studios Maui and wish to register my full support of HB2610. The studio, located at 21 La'a Street, Kahului, Maui can support 30 to 50 new jobs by generating film and television production work for Maui County residents.

Thank you for your consideration and support.

Jerald L. Embree
Managing Director
65 Hale Noho Pl.
Kihei, Hawaii 96753

LATE

kong2 - Christie

From: Branscombe richmond <richmond.branscombe@yahoo.com>
Sent: Monday, February 08, 2016 1:00 PM
To: kawakami3-Benigno
Cc: kong2 - Christie
Subject: hb2610

ALOHA ,,IM BRANSCOMBE RICHMOND ,, NATIVE HAWAIIAN , HAWAIIAN HOMESTEADER,AND
LIVE ON MAUI ,,,,, I SUPPORT HB2610 ,,,,,,,, WE TOO NEED JOBS HERE IN THE NEIGHBOR
ISLANDS ,,,,,,,, OLD HAWAIIAN PROVERB -- LET THOSE WHO LIVE ON OUR HAWAIIAN
ISLANDS FISH THE WATERS OF THEIR ISLANDS TO FEED THEMSELVES , THE FISH THEY
CATCH FEED THOSE WHO MALAMA THEIR AINA,, LETS US FEED OURSELVES ON MAUI ,,
FOR MAUI OHANA ,,,,, MAHALO ,, BR

kong2 - Christie

LATE

From: Ray Fite <lahainaboy49@gmail.com>
Sent: Monday, February 08, 2016 1:01 PM
To: Rep. Derek Kawakami; Rep. Sam Kong; kawakami3-Benigno; kong2 - Christie
Subject: Bill HB2610

My name is Garland Fite, I am a resident of Maui and WE need jobs here too, the Teamsters have dictated what goes on long enough, take a stand for the residents of the Outter Islands rights to make a living as well please support HB2610

Mahalos,
G. Ray Fite

kong2 - Christie

LATE

From: David Dahlberg <doubledkauai@hotmail.com>
Sent: Monday, February 08, 2016 1:30 PM
To: kong2 - Christie

TI am in full support of this bill, thee tax incentive has done great things for Honolulu, but the problem is with the money that they are saving, they bring crew from the mainland , this is not what the incentive is about, please pass this bill so we **THE PEOPLE OF HAWAII CAN WORK AND AFFORD TO LIVE HERE,**
ALOHA, DAVID DAHLBERG
IATSE 665 MEMBER

Sent from my Verizon Wireless 4G LTE DROID

kong2 - Christie

LATE

From: woodson2-Shingai
Sent: Tuesday, February 09, 2016 10:26 AM
To: kong2 - Christie
Subject: FW: HB2610

From: Aileen Acain [mailto:alohacasting808@gmail.com]
Sent: Tuesday, February 09, 2016 10:19 AM
To: woodson2-Shingai <woodson2@capitol.hawaii.gov>
Subject: Fwd: HB2610

Sent from my iPhone

Begin forwarded message:

From: Aileen Acain <alohacasting808@gmail.com>
Date: February 8, 2016 at 3:28:59 PM HST
To: Kong@capital.hawaii.gov
Cc: Lily Acain <lilyacain@yahoo.com>, Aileen Acain <alohacasting808@gmail.com>
Subject: **HB2610**

Aloha! My name is Lily Acain and I am a local resident of Maui Hawaii working in the film industry. I am sending this email to voice my support of Bill # HB2610. Maui is full of hard-working industry people in front of and behind the camera. We all support our elected officials with HB2610.

We hope to see improvement and more opportunities come to our community as a result.

Mahalo Nui Loa,

Lily Acain

Owner- Aloha Casting LLC

808-264-8111

alohacasting808@gmail.com

kong2 - Christie

LATE

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 09, 2016 10:31 AM
To: edbtestimony
Cc: threetomake2@hotmail.com
Subject: Submitted testimony for HB2610 on Feb 9, 2016 09:00AM

HB2610

Submitted on: 2/9/2016

Testimony for EDB on Feb 9, 2016 09:00AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
Bob Silva	Individual	Support	No

Comments: Aloha Ladies and Gentlemen, My name is Bob Silva from the island of Maui. I am in full support of HB 2610. Please Share the Aloha.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

kong2 - Christie



From: Brad Starks <starks88@gmail.com>
Sent: Monday, February 08, 2016 2:26 PM
To: kong2 - Christie; kawakami3-Benigno
Subject: Testimony In Support Of Bill HB2610

Aloha -

My name is Brad Starks and I am the owner of Brad Starks Photography LLC based on the island of Maui. I do still photography but also work behind the scenes as freelance production assistant and line producer, etc. I also work with a grass roots organization called NMITC & Neighbor Island Film Group. We interact with more than over 500+ local film industry crew members and other entertainment professionals here.

Along with other local film and entertainment worker living & working in the neighbor Islands on Maui, I support the efforts of our elected officials with Bill HB2610 and would like to see more opportunities come to our community as a result.

Mahalo!

Brad Starks
Brad Starks Photography LLC
4450 Kula Hwy
Kula HI 96753-1327

kong2 - Christie

LATE

From: woodson2-Shingai
Sent: Tuesday, February 09, 2016 10:36 AM
To: kong2 - Christie
Subject: FW: Support HB2610

From: Dan Weisman [mailto:mauidjdanweisman@gmail.com]
Sent: Tuesday, February 09, 2016 10:33 AM
To: woodson2-Shingai
Subject: Support HB2610

Dear Mr. Woodson, HB 2610 is too important NOT to support. We are counting on OUR representative S to help our talents film community get a FAIR share of the pie.

Mahalo. Dan Weisman
Improvcomedycoach.com

kong2 - Christie

LATE

From: Jennifer Wolski <jenniferrikertwolski@gmail.com>
Sent: Monday, February 08, 2016 3:43 PM
To: kong2 - Christie
Subject: Bill #HB2610

Aloha! My name is Jennifer Wolski and I am a local resident of Maui Hawaii working in the film industry. I am sending this email to voice my support of Bill # HB2610. Maui is full of hard-working industry people in front of and behind the camera. We all support our elected officials with HB2610.

We hope to see improvement and more opportunities come to our community as a result.

Mahalo!

Sent from my iPhone

woodson2-Shingai

From: mauihome <mauihome@yahoo.com>
Sent: Tuesday, February 09, 2016 9:43 AM
To: woodson2-Shingai
Subject: HB2610

LATE

Aloha -

My name is Casey Ledoux and I am the owner of Maui Film Industries LLC based on the island of Maui. I produce, edit, and film feature films, commercials, short film, and audio. I also work in front of the camera as an actor. I am working with a grass roots organization called NMITC & Neighbor Island Film Group. We interact with more than over 500+ local film industry crew members and other entertainment professionals here.

Along with other local film and entertainment worker living & working in the neighbor Islands on Maui, I **support** the efforts of our elected officials with Bill HB2610 and would like to see more opportunities come to our community as a result.

Mahalo!

Sent via the Samsung Galaxy S36 active, an AT&T 4G LTE smartphone

woodson2-Shingai

From: Davereyes808 <davereyes808@gmail.com>
Sent: Tuesday, February 09, 2016 9:48 AM
To: woodson2-Shingai
Subject: Hb2610

LATE

I support hb 2610

LATE

woodson2-Shingai

From: Michael Munoz <kidstunts@hotmail.com>
Sent: Tuesday, February 09, 2016 8:55 AM
To: woodson2-Shingai
Subject: HB2610 support

I, Michael Munoz, am a resident of Maui. I am a stuntman, actor, writer and producer and I support the bill, HB2610, so as to help the local economy, local jobs and encourage local talent to pursue these vocations.

Mahalo,

Michael Muñoz

Actor/Stuntman

Film, Television & Commercial

310-864-3613 (Mobile)

<http://www.imdb.com/name/nm0613061/>

woodson2-Shingai

From: T Crowell <tecrowell@gmail.com>
Sent: Tuesday, February 09, 2016 9:05 AM
To: woodson2-Shingai
Subject: re HB2610 legislation

Good day,

I am the owner of Malama Solutions & Supplies, LLC, a Hawai'i-registered business with sales on several islands.

I am writing to you to ask for your support of HB2610.

It is essential that jobs are created and available for residents of all the Hawai'ian Islands.

Mahalo for your consideration and support,

Tim Crowell
General Manager / Owner
Malama Solutions & Supplies, LLC

LATE

woodson2-Shingai

From: matt@valleyislemonument.com
Sent: Tuesday, February 09, 2016 9:28 AM
To: woodson2-Shingai
Subject: HB 2610

I support HB 2610!!!!

Vernette deLaveaga

Valley Isle Monument and Sandblasting, LLC.

P.O. Box 455

Kahului, HI. 96733

Phone: (808) 877-4609

Fax: (866) 490-6727

www.valleyislemonument.com

From: Matthew Otterson <motterson808@gmail.com>
Sent: Tuesday, February 09, 2016 9:31 AM
To: woodson2-Shingai
Subject: HB 2610

My name is Matt Otterson and I support HB 2610!!!!

From: Mark Gudmunson <pastorpuakanaz@yahoo.com>
Sent: Tuesday, February 09, 2016 9:35 AM
To: woodson2-Shingai
Subject: Hb2610

I support bill hb2610 and the jobs it will produce on neighbor islands. Please support this bill. Mahalo. Mark Andrew Gudmunson, Maui.

Sent from my iPhone

kong2 - Christie

LATE

From: woodson2-Shingai
Sent: Tuesday, February 09, 2016 10:36 AM
To: kong2 - Christie
Subject: FW: HB2610

From: Aileen Acain [mailto:alohacasting808@gmail.com]
Sent: Tuesday, February 09, 2016 10:30 AM
To: woodson2-Shingai
Cc: woodson2-Shingai
Subject: Fwd: HB2610

Sent from my iPhone

Begin forwarded message:

From: Aileen Acain <alohacasting808@gmail.com>
Date: February 8, 2016 at 3:28:59 PM HST
To: Kong@capital.hawaii.gov
Cc: Lily Acain <lilyacain@yahoo.com>, Aileen Acain <alohacasting808@gmail.com>
Subject: **HB2610**

Aloha! My name is Lily Acain and I am a local resident of Maui Hawaii working in the film industry. I am sending this email to voice my support of Bill # HB2610. Maui is full of hard-working industry people in front of and behind the camera. We all support our elected officials with HB2610.

We hope to see improvement and more opportunities come to our community as a result.

Mahalo Nui Loa,

Lily Acain

Owner- Aloha Casting LLC

808-264-8111

alohacasting808@gmail.com

kong2 - Christie

LATE

From: Mary Ann Perreira <skoshima1@gmail.com>
Sent: Monday, February 08, 2016 3:46 PM
To: kong2 - Christie
Subject: Bill#HB2610

My name is Mary Ann Perreira from Haiku, MAUI. I work in the film industry. I support bill #HB2610. My hope is for more opportunities and improvement for my community.

Sent from my iPhone

kong2 - Christie

LATE

From: Nicky Boskoff <Nicky@oldlahainaluau.com>
Sent: Monday, February 08, 2016 3:41 PM
To: kawakami3-Benigno; kong2 - Christie
Subject: HB2610

I support this bill!

Mahalo!

Nicky S.Y. Boskoff Dahlberg

General Manager - Star★Noodle

Project Manager - Nā Hoaloha 'Ekolu

Aloha Mixed Plate | Star★Noodle | Leoda's Kitchen & Pie Shop

1022 Front Street | Lahaina, Hawaii | 96761

Cell 808-870-5430 | Phone 808-667-5400 | Fax 808-661-3087

♻️ Please consider the environment before printing this e-mail.