

JAN 25 2017

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# A BILL FOR AN ACT

RELATING TO FILM AND DIGITAL MEDIA INDUSTRY DEVELOPMENT.

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

1           SECTION 1. The legislature finds that the film industry in  
2 Hawaii is an important component of a diversified economy. The  
3 legislature further finds that the motion picture, digital  
4 media, and film production income tax credit has been effective  
5 in stimulating the economy and creating quality jobs in a clean  
6 industry, while promoting Hawaii as a visitor destination.

7           The legislature additionally finds that the film production  
8 process can extend over several years due to extensive planning  
9 and development in the preproduction stage. The motion picture,  
10 digital media, and film production income tax credit's current  
11 sunset date of January 1, 2019, will discourage new productions  
12 that may be in the development and preproduction phases at that  
13 point in time. An extension of the credit would enable Hawaii  
14 to remain competitive and comparable to other jurisdictions in  
15 attracting qualified productions that generate additional  
16 revenue, jobs, and tourism marketing exposure.

17           The purpose of this Act is to:



1 (1) Extend the motion picture, digital media, and film  
2 production income tax credit for an additional ten  
3 years to provide economic incentive predictability for  
4 the film industry; and

5 (2) Increase accountability for educational and workforce  
6 development contributions associated with the credit.

7 SECTION 2. Section 235-17, Hawaii Revised Statutes, is  
8 amended by amending subsection (d) to read as follows:

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

- 10 (1) Meet the definition of a qualified production  
11 specified in subsection (1);
- 12 (2) Have qualified production costs totaling at least  
13 \$200,000;
- 14 (3) Provide the State, at a minimum, a shared-card, end-  
15 title screen credit, where applicable;
- 16 (4) Provide evidence of reasonable efforts to hire local  
17 talent and crew; and
- 18 (5) Provide evidence of financial or in-kind contributions  
19 [~~or educational or~~] to workforce development efforts [~~]~~  
20 ~~in partnership with related local industry labor~~  
21 ~~organizations, educational institutions, or both,~~



1 ~~toward the furtherance of the local film and~~  
2 ~~television and digital media industries.]~~ of the  
3 University of Hawaii through its system-wide creative  
4 media programs and projects, in furtherance of the  
5 local film, television, and digital media industries;  
6 provided further that the University of Hawaii shall  
7 submit an annual report to the legislature, no later  
8 than twenty days prior to the convening of each  
9 regular session, on how the funds are being spent on  
10 workforce development, which shall include:

11 (A) Statistics on numbers of:

12 (i) Kindergarten through twelfth grade students  
13 participating in creative media programs and  
14 projects affiliated with the University of  
15 Hawaii;

16 (ii) Kindergarten through twelfth grade students  
17 whose projects received state, national, or  
18 international creative media awards within  
19 the previous year; and

20 (iii) Participating schools and organizations  
21 involved in creative media programs;



1           (B) Numbers of graduates obtaining jobs in the film,  
2           television, and digital media industries in  
3           Hawaii and outside of Hawaii; and

4           (C) The numbers of new jobs created and dollar value  
5           of projects developed in Hawaii and outside of  
6           Hawaii as a result of the contributions."

7           SECTION 3. Act 88, Session Laws of Hawaii 2006, as amended  
8 by section 3 of Act 89, Session Laws of Hawaii 2013, is amended  
9 by amending section 4 to read as follows:

10           "SECTION 4. This Act shall take effect on July 1, 2006;  
11 provided that:

12           (1) Section 2 of this Act shall apply to qualified  
13 production costs incurred on or after July 1, 2006,  
14 and before January 1, [~~2019,~~] 2029; and

15           (2) This Act shall be repealed on January 1, [~~2019,~~] 2029,  
16 and section 235-17, Hawaii Revised Statutes, shall be reenacted  
17 in the form in which it read on the day before the effective  
18 date of this Act."

19           SECTION 4. Statutory material to be repealed is bracketed  
20 and stricken. New statutory material is underscored.

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# S.B. NO. 1191

1 SECTION 5. This Act shall take effect on July 1, 2017.

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INTRODUCED BY: Nichelle N. Sudani  
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~~AND C. P. ...~~  
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# S.B. NO. 1191

**Report Title:**

Motion Picture, Digital Media, and Film Production Income Tax Credit; Income Tax; Sunset Date; University of Hawaii Creative Media

**Description:**

Extends the motion picture, digital media, and film production income tax credit sunset date to January 1, 2029. Requires productions claiming the credit to contribute to creative media programs within the University of Hawaii, and the University of Hawaii to submit annual reports to the legislature on how the contributions are spent.

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

