



**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
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Statement of
Luis P. Salaveria
Director
Department of Business, Economic Development, and Tourism
before the
HOUSE COMMITTEE ON FINANCE
Tuesday, February 27, 2018
11:00 AM
State Capitol, Conference Room 308

in consideration of
HB1328 HD1
RELATING TO FILM AND DIGITAL MEDIA INDUSTRY DEVELOPMENT.

Chair Luke, Vice Chair Cullen, and Members of the House Committee on Finance.

The Department of Business, Economic Development and Tourism (DBEDT) supports HB 1328, HD1, which was tabled last session, although portions became law via Act 143, SLH 2017, which: 1) extended the sunset date to January 1, 2026; 2) required a third-party review by CPA and tax professionals for productions which spend one million dollars or more; and 3) imposed a tax credit cap of \$35 million per year, effective January 1, 2019.

DBEDT concurs with the Department of Taxation (DOTAX) on their recommendations to amend Act 143 for clarity in the third-party review section, to provide consistency in language on the required tax credit professionals required credentials.

In regards to the annual tax credit cap, DBEDT understands the need to balance the state's financial plan in current and out years and recognizes there is an impact from any tax credit on this plan. According to an analysis of the economic impacts, the film and media industries remain a positive catalyst for job growth and have proven to generate beneficial economic impact to our citizens, the tourism industry and our state.

In 2017, 48 productions registered and potentially will claim \$55 million in tax credits. This is based on \$268 million in estimated production expenditures, resulting in \$464 million in sales generated, \$107 million in direct household economic impact/income generated, as well as an estimated \$29 million in tax revenues.¹

Based on this data, if the same level of production exists in 2019, DBEDT must determine when the ceiling is reached and notify producers whose projects will need to carry forward or “roll over” rebates into their following taxable year. This will cause a ripple effect, depleting funds available for the following year, and out years. The cap will have a negative impact on our local producers, as not all companies have the ability to carry forward a credit.

DBEDT calls to your attention the current staffing limits in the Creative Industries Division’s Hawaii Film Office, and the need to acquire additional accounting services to manage the tax credit cap. Based on other states’ best practices a tax credit program the size of Hawaii’s would have two FTE’s vs. Hawaii’s one staff member working 60% of the time on tax credit accounting. If DBEDT is successful in obtaining the accounting services requested in the Administration’s budget, the accounting services and a marketing program to alert the industry would need to be in place well before December 1, 2018.

DBEDT welcomes the opportunity to find ways to address these concerns as this measure moves forward this session with lawmakers, film industry decision-makers, and labor unions.

Thank you for the opportunity to testify on this measure.

¹ based on Research and Economic Analysis Division calculations



STATE OF HAWAII
DEPARTMENT OF TAXATION
830 PUNCHBOWL STREET, ROOM 221
HONOLULU, HAWAII 96813
<http://tax.hawaii.gov/>
Phone: (808) 587-1540 / Fax: (808) 587-1560
Email: Tax.Directors.Office@hawaii.gov

To: The Honorable Sylvia Luke, Chair
and Members of the House Committee on Finance

Date: Tuesday, February 27, 2018
Time: 11:00 A.M.
Place: Conference Room 308, State Capitol

From: Linda Chu Takayama, Director
Department of Taxation

Re: H.B. 1328, H.D. 1, Relating to Film and Digital Media Industry Development

The Department of Taxation (Department) provides the following comments regarding H.B. 1328, H.D. 1 for your consideration.

H.B. 1328, H.D. 1 amends Hawaii Revised Statutes (HRS) section 235-17, the statutory authority for the motion picture, digital media, and film production income tax credit (film credit), as amended by Act 143, Session Laws of Hawaii 2017 (Act 143).

Specifically, the bill amends the aggregate cap amount from \$35 million per year to an unspecified amount and adds additional requirements to qualify for the film credit. H.D. 1 has a defective effective date of July 1, 2112.

First, the Department notes that Act 143 applies to taxable years beginning after December 31, 2018 and amended the film credit by:

- Extending the sunset date of the film credit from January 1, 2019 to January 1, 2026;
- Adding a requirement to provide evidence when claiming products or services acquired outside of the State that reasonable efforts were made to secure and use comparable products or services within the State;
- Limiting the total film credit to \$35 million per year, provided that if the total amount of credits applied for in any year exceeds the aggregate amount, the excess will be treated as having been applied for in the subsequent year and must be claimed in such year. No excess film credit can be claimed after December 31, 2025;
- Requiring all qualified production companies to obtain a verification review by a qualified certified public accountant (CPA) using procedures prescribed by DBEDT to be submitted with the statement of qualified production costs beginning January 1, 2019 (section 235-17(h), HRS);

- Requiring each qualified production company with production expenditures of \$1 million or more to obtain an independent third-party certification of qualified production costs eligible for the film credit in the form of a tax opinion beginning no later than January 1, 2018 (Section 6); and
- Requiring DBEDT in collaboration with the Department to submit to the Governor and Legislature an annual report on the number of jobs created in the State by the film productions receiving the film credit beginning January 1, 2018.

Second, the Department suggests resolving the conflict between section 235-17(h), and Section 6 of Act 143. Both provisions contain similar requirements for production companies to obtain an independent third-party review of qualified production costs, but the specific requirements cannot be reconciled as currently written. The Department suggests resolving this conflict by combining the separate provisions in section 235-17(h). The Committee may also want to consider allowing other professionals, such as tax attorneys, provide third-party verification of the qualified production costs.

Thank you for the opportunity to provide comments.

Bernard P. Carvalho Jr.
Mayor

George K. Costa
Director of Economic Development



Wallace G. Rezentes Jr.
Managing Director

OFFICE OF ECONOMIC DEVELOPMENT

County of Kaua'i, State of Hawai'i

4444 Rice Street, Suite 200, Līhu'e, Hawai'i 96766
TEL (808) 241-4946 FAX (808) 241-6399

February 26, 2018

**House of Representatives
Committee on Finance
Chair, Sylvia Luke, Vice-Chair Ty T.J. Cullen and Members**

**Wednesday, February 27, 2018
11:00 A.M. – Conference Room 308**

Dear Chair Sylvia Luke, Vice-Chair Ty T.J. Cullen and Members:
RE: HB1328 HD1: Relating to Film and Digital Media Industry

Aloha! The Kauai Film Office of the County of Kauai – Office of Economic Development is in Support of HB1328 HD1. This will allow the CAP to continue and provide for additional time to review the impact and implementation of the Cap that was included in the last legislative session. The Kauai Film Office and Kauai industry businesses and partners appreciate the 2017 session's support of the extension of the Film Tax Credit and request that during this session that this bill to be reported out of the Committee.

As Kauai Film Commissioner, I am also pleased to provide you a brief update of the positive impact of the extension of the credit during the past year since it was signed into law. Kauai County was able to have a variety of productions made on Kauai that ranged from the following: feature film to television shows/series, commercials and print ads, documentaries, travel, sports and digital/internet. Kauai Film Office is also anticipating several additional medium to large movie productions that we are waiting for confirmation and a 'Green Light'. These are only some examples of the positive impact that have provided Kauai's businesses to benefit from the support of the legislation and most of all, communicating that the State of Hawaii and the counties of Kauai, Hawaii and Maui do indeed support the industry and recognize both its economic, workforce, tourism and education benefits to the islands.

Should you need additional information, please do not hesitate to contact me at rfrancisco@kauai.gov or (808) 241-4953 or (808) 635-4130.

Mahalo for your consideration,

A handwritten signature in black ink, appearing to read "Randall Francisco".

Randall Francisco
Creative Industries Division – Kauai Film Commissioner & Small Business Coordinator



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Finance
Tuesday, February 27, 2018 at 11:00 a.m.

by

Christopher Lee, Director, Academy for Creative Media, University of Hawai'i System
on behalf of

Vassilis L. Syrmos, Vice President for Research and Innovation
University of Hawai'i System

HB 1328 HD1 – RELATING TO FILM AND DIGITAL MEDIA INDUSTRY DEVELOPMENT

Chair Luke, Vice Chair Cullen, and Members of the Committee:

Thank you for the opportunity to submit testimony in support of HB 1328 HD1.

The motion picture, television, and digital content industry has been providing our economy with environmentally friendly, living wage jobs for over a hundred years. Indeed, Hawai'i's main industry, tourism, has enjoyed an invaluable global marketing ally ever since Thomas Edison shot the first films in Honolulu in 1908. In many ways, the world has come to know Hawai'i through such shows as *Hawai'i Five-0*, *Magnum PI*, and *Lost*. Since then, and especially since the tourism downturn following 9/11, Hawai'i has had a robust film and television industry, often with \$200 million a year in direct production spend, and reaching as much as \$400 million. This consistent diversification of our economy has been made possible by Hawai'i's production tax credit. While some may question the efficacy of these credits, the reality is that the studios and networks decide where to shoot films based on where the credits are being offered. When Louisiana severely restricted its production credits, Georgia become the South's production powerhouse – with the industry contributing over \$7 billion to the state's economy and employing 30,000 residents. Please see video link about this transformation: <https://www.youtube.com/watch?v=06Bzg6SY7SY>

HB 1328 HD1 provides stability and predictability for this vital local industry, recognizes the need for appropriate recognition of the state's investment in films and television shows through end credit or alternative marketing opportunities, and—most importantly for the growing number of creative media students at UH — offers them the chance to stay in Hawai'i with living wage jobs.

HB 1328 HD1 also recognizes the reality that production tax incentives drive the decision making of the studios, networks, and streaming services in terms of where they will shoot. By amending the aggregate tax credit cap to an unspecified amount, it will ensure that Hawai'i remains on the financial map to Hollywood decision makers.

Thank you for your consideration on this matter.

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: INCOME, Modify Cap on Movie/TV Production Tax Credit

BILL NUMBER: HB 1328, HD-1

INTRODUCED BY: House Committee on Economic Development & Business

EXECUTIVE SUMMARY: Tweaks the motion picture, digital media, and film production income tax credit. Changes the aggregate cap from \$35 million to an unspecified amount. It may be possible to make the case that the benefits have outweighed the costs.

SYNOPSIS: Amends HRS section 235-17(d) to require that a production shall provide the State, as an alternative to a shared-card end title screen credit, alternative marketing opportunities approved by DBEDT.

Amends HRS section 235-17(l) to change the aggregate credit cap from \$35 million to an unspecified amount.

Makes other technical changes.

EFFECTIVE DATE: July 1, 2112.

STAFF COMMENTS: Tax credits are nothing more than the expenditure of public dollars, but out the back door. If, in fact, these dollars were subject to the appropriation process, would taxpayers be as generous about the expenditure of these funds when our kids are roasting in the public school classrooms, there isn't enough money for social service programs, or our state hospitals are on the verge of collapse? With tax credit expenditures, lawmakers don't know what they are buying or how much it will cost.

With an aggregate credit cap, at least we know that it won't cost more than a specified dollar amount, whatever it may be.

Digested 2/24/2018



MOTION PICTURE ASSOCIATION OF AMERICA

TESTIMONY IN SUPPORT

OF HAWAII HOUSE BILL 1328, HOUSE DRAFT 1

BEFORE THE HOUSE COMMITTEE ON FINANCE

Tuesday, February 27, 2018

State Capitol

Honolulu

The Motion Picture Association of America, Inc. (MPAA) submits this written testimony in support of the goals and objectives of Hawaii House Bill 1328 HD 1. MPAA members include the leading producers and distributors of television programs and motion pictures worldwide. In addition to CBS, which as you are well aware produces the locally based Hawaii 5-0 television series, MPAA members include Walt Disney Studios Motion Pictures, Twenty-First Century Fox, Paramount Pictures, NBC Universal, Sony Pictures Entertainment and Warner Bros.

MPAA and its members applaud the Hawaii Legislature for passing and the Governor signing into law a bill that extends the production tax incentive program for seven years during the 2017 legislative session.

MPAA understands the purpose of HB 1328 HD 1 is to increase the annual aggregate cap on the incentive program. Increasing the annual cap on the production tax incentive program would provide enhanced stability and predictability for motion picture and television producers who want to bring projects to Hawaii. This, in turn, extends Hawaii's economic reach into the world. Both the state and the industry will benefit.

Today, cost is the single most important factor for a producer in determining where a project will be located. Hawaii competes, successfully against other states, as well

as nations worldwide, in attracting its share of motion picture and television productions.

The vision of the Hawaii legislature to create jobs and stimulate the economy is being realized by attracting Hawaii 5-0 and sustaining the production, which is now in its eighth season. The series currently employs 300 cast and crew members and about 250 local background performers per episode. In addition, Hawaii has been the location recently for *Jurassic World*, *Jumanji*, *Godzilla* and *The Hunger Games*. Universal Studios recently complete the production of the sequel to *Jurassic World*. This major motion picture production employed 1,289 Hawaii residents and contributed \$31,620,494 to the state economy through spending on Hawaii businesses that provide goods and services.

Hawaii House Bill 1328 HD 1 has the potential to enhance that stability and paves the way for Hawaii 5-0 in future years upon renewal, as well as, potentially, new television series and motion picture productions.

In addition to stimulating the economy, which is estimated to be \$400 million total spend over the past five years, and this year will be an additional \$87 million dollars, Hawaii 5-0 has been a Hawaiian showcase that has also stimulated tourism to the islands from visitors around the world. Hawaii 5-0 is not only popular in the US, it has found enormous audiences worldwide.

Chairperson Luke and members of the committee, we urge you to approve House Bill 1328 HD 1. On behalf of MPAA and our member company studios and television companies, we look forward to the continuation of a long and successful partnership with Hawaii, and being part of your welcoming and dynamic community for years to come.



February 24, 2018

Committee on Finance
Rep. Silvia Luke, Chair
Rep. Ty Cullen, Vice Chair

The House of Representatives
The Twenty-Ninth Legislature
Regular Session of 2018

RE: HB 1328 HD1 - RELATING TO FILM AND DIGITAL MEDIA INDUSTRY DEVELOPMENT

DATE: Tuesday, February 27, 2018
TIME: 11:00am
PLACE: Conference Room 308
State Capitol 415 South Beretania Street, Honolulu HI

Aloha Chair Luke, Vice Chair Cullen and the Members of the Committee,

Thank you for the opportunity to testify on this measure. SAG-AFTRA represents approximately 1000 actors, recording artists, and media professionals in our state.

The Film and Digital Media industry currently employs thousands of Hawaii residents, and generates, on average, an estimated **\$380 million** a year in our state.¹ Recent figures estimate **\$29 million** taxes, **\$465 million** sales, and **\$107 million** household income generated.²

The 2017 passage of Act 143 saw the extension of the Motion Picture, Digital Media, and Film Production tax credit to 2026. The members of the industry and their families appreciate the Legislature's support.

Your continued involvement is critical; please consider the following amendments:

- Remove or raise the ceiling for the Film and Digital Media tax credit; and
- Add an accounting position to the Creative Industries Division to manage the current film and digital media tax credit program.

The current ceiling of \$35 million and its carryover provision, would effectively create a cycle of diminishing returns that will severely inhibit our industry. We need only to look to other states to see the negative effects of such a ceiling.³

This tax credit is an investment in the diversity of our state's economic landscape. We thank you for your time and consideration, and ask for this committee's support.

Respectfully,

Mericia Palma Elmore
Executive Director SAG-AFTRA Hawaii Local

¹ Hawaii Film Office/CID/DBEDT

² Id.

³ Please see http://www.theadvocate.com/baton_rouge/news/politics/article_06a9d62c-1e0a-11e7-9638-eb1f201cdb6f.html Last accessed 7:17am, January 25, 2018



Local 665
HAWAII'S TECHNICIANS
for
FILM, TELEVISION, STAGE AND PROJECTION
Since 1937

INTERNATIONAL ALLIANCE OF THEATRICAL STAGE EMPLOYEES, MOVING PICTURE TECHNICIANS, ARTISTS AND ALLIED CRAFTS
OF THE UNITED STATES, ITS TERRITORIES AND CANADA, AFL-CIO, CLC

The House of Representatives
The Twenty-Ninth Legislature
Regular Session of 2018

To: The Honorable Sylvia Luke, Chair
The Honorable Ty J.K. Cullen, Vice-Chair, and
Members of the House Committee on Finance

Date: Tuesday, February 26, 2018

Time: 11:00 a.m.

Place: Conference Room 308.

State Capitol, 415 S. Beretania St., Honolulu, HI

RE: HB1328: RELATING TO FILM AND DIGITAL MEDIA INDUSTRY DEVELOPMENT

Aloha, Chair Luke, Vice-Chair Cullen and Members of the Committee,

IATSE Local 665 represents the film technicians who work behind the camera on TV series and films throughout the State of Hawai'i.

We appreciate your commitment to support, grow and sustain film work in Hawai'i by passing Act 143 in 2017, extending the Motion Picture, Digital Media and Film Production Tax Credit to 2026. The members and working families of the industry greatly appreciate the Legislature's commitment to the film industry and humbly ask for your continued support.

The implementation of the \$35 million ceiling to the Hawaii Film Tax Credit is very concerning when we look to other cities who have added a ceiling to their film tax credit. New Orleans, for example, added a \$180 million ceiling in 2015, and 75% of their work moved to Atlanta. New Orleans is still trying to recover from the instant recession they found themselves in, and they continue to work with their lawmakers to find a more responsible solution while also rebuilding their film industry. Pittsburgh, with a \$60 million ceiling, also suffered severe job losses and are working to find solutions. Both cities went over an economic cliff when the ceiling was imposed, and they are trying to scramble their way back up.

Unlike New Orleans, our ceiling has not gone into effect yet, and we still have time to work with our legislators before our industry suffers a severe economic setback. Although, ideally, we

Committee on Labor

February 27, 2018

RE: HB1328 – RELATING TO FILM AND DIGITAL MEDIA INDUSTRY DEVELOPMENT

would like the Film Tax Credit to remain uncapped so it can continue to bring work to our State, we are sensitive to the needs of the committee and ask for more time.

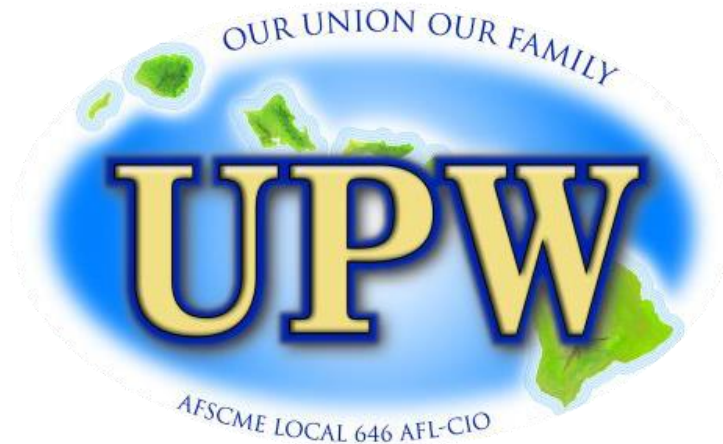
Please amend the start date of the ceiling to 2020 so that we can find viable options and prepare our workers sufficiently.

On behalf of the men and women of IATSE Local 665 and the many others who benefit from Hawai'i's vibrant film industry, we thank you for your time and careful consideration of our request.

Respectfully,

A handwritten signature in black ink, appearing to read "Irish Barber". The signature is fluid and cursive, with the first name "Irish" being more prominent and stylized than the last name "Barber".

Irish Barber
Business Representative



The Hawaii State House of Representatives
The Twenty-Ninth Legislature
Regular Session of 2018

Committee on Finance

Representative Sylvia Luke, Chair
Representative Ty J.K. Cullen, Vice Chair
Members of the Committee

Date of Hearing: Tuesday, February 27, 2018
Time of Hearing: 11:00 a.m.
Place of Hearing: Conference room 308
State Capitol

Testimony In Support of HB1328 HD1 Relating to Film and Digital Media Industry
Development

By Dayton M. Nakanelua,
State Director of the United Public Workers,
AFSCME, Local 646, AFL-CIO

My name is Dayton M. Nakanelua, State Director of the United Public Workers, AFSCME, Local 646, AFL-CIO. The UPW is the exclusive representative for approximately 12,000 public employees, which include blue collar, non-supervisory employees in Bargaining Unit 01 and institutional, health and correctional employees in Bargaining Unit 10, in the State of Hawaii and the four counties.

HB1328 HD1 amends the annual aggregate cap placed on the amount of the motion picture, digital, media and film production income tax credit claimed by qualified productions. The UPW **supports** this bill because the film industry is one of the “cleanest” industries in Hawaii and has created good jobs. The visitor industry is enhanced and promoted that much more with Hawaii as a backdrop and scenery of many film productions.

Thank you for the opportunity to submit this testimony.

HB-1328-HD-1

Submitted on: 2/25/2018 8:59:52 AM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	OCC Legislative Priorities Committee, Democratic Party of Hawai'i	Support	No

Comments:

**PRESENTATION OF THE
OAHU COUNTY COMMITTEE ON LEGISLATIVE PRIORITIES**

DEMOCRATIC PARTY OF HAWAII'

TO THE COMMITTEE ON FINANCE

THE HOUSE OF REPRESENTATIVES

TWENTY-NINTH LEGISLATURE

REGULAR SESSION OF 2018

Tuesday, February 27, 2018

11:00 A.M.

Hawaii State Capitol, Conference Room 308

RE: Testimony in Support of **HB1328 HD1**, RELATING TO FILM AND DIGITAL MEDIA INDUSTRY DEVELOPMENT

To the Honorable Sylvia Luke, Chair; the Honorable Ty J.K. Cullen, Vice-Chair, and Members of the Committee on Finance:

Good morning, my name is Melodie Aduja. I serve as Chair of the Oahu County Committee ("OCC") Legislative Priorities Committee of the Democratic Party of Hawaii. Thank you for the opportunity to provide written testimony on House Bill No. **HB1328 HD1**, relating to the Motion Picture, Digital Media, and Film Production Income Tax Credit.

The OCC Legislative Priorities Committee is in favor of House Bill No. **HB1328 HD1** and support its passage as it

House Bill No. **HB1328 HD1**, is in accord with the Platform of the Democratic Party of Hawai'i ("DPH"), 2016, as it promotes economic development and reform by amending the annual aggregate cap placed on the amount of the motion picture, digital media, and film production income tax credit that may be claimed by qualified productions and allowing greater flexibility in conditions placed on eligibility requirements for the motion picture, digital media, and film production income tax credit.

Specifically, the Platform of the Democratic Party of Hawai'i provides that "[a] diversified and healthy economy in Hawai'i requires a well-educated and healthy citizenry. To encourage existing and new enterprise, we need to develop a combination of tax policies and credits, lending programs and financial incentives that will attract the business community.

Our community is enriched by the encouragement of visual, musical, dramatic and cinematic arts and diverse cultural activities that communicate both a regional and universal vision. Through multi-cultural and multi-generational participation in the arts, we strengthen our 'ohana, promote tolerance, and add vitality to the economy through cultural tourism.

To this end, we support sufficient public funding for the arts, individual artists, arts and cultural organizations, and educational enterprises. Such activities provide a definite public good for all of our citizens and for our community that is not available through private efforts alone." (DPH Platform, Lines 38-40, 398-404 (2016)).

Given that House Bill No. **HB1328 HD1** amends the annual aggregate cap placed on the amount of the motion picture, digital media, and film production income tax credit that may be claimed by qualified productions and allows greater flexibility in conditions placed on eligibility requirements for the motion picture, digital media, and film production income tax credit, it is the position of the OCC Legislative Committee to support this measure.

Thank you very much for your kind consideration.

Sincerely yours,

/s/ Melodie Aduja

Melodie Aduja, Chair, OCC Legislative Priorities Committee

Email: legislativepriorities@gmail.com, Text/Tel.: (808) 258-8889

HB-1328-HD-1

Submitted on: 2/24/2018 10:37:27 PM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kara Kearns	Hawaii Film	Support	No

Comments:

Dear Chair Luke, Vice-chair Cullen and members of the committee:

Over the years, the Hawaii Film has grown steadily and has generated hundreds of millions of business revenue and over \$100 million in household income every year. Having the cap will be like forcing our industry into a recession. Many of us would be on Unemployment until we can find work. This cap would also limit the opportunities for new workers to enter the industry.

Hawaii is already a difficult state to make to thrive in, please don't put a cap on the tax credit. This is our bread and butter.

Mahalo,

Kara Kearns

HB-1328-HD-1

Submitted on: 2/26/2018 10:00:33 AM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Dean Des Jarlais	Hawaii Media Inc.	Support	No

Comments:

Dear Chair Luke, Vice Chair Cullen, and members of the committee,

As owner of the largest equipment rental company servicing the film and television industry in Hawaii, I strongly support removing the cap on film tax credits. We have had significant growth in the number of production choosing to film here. We have seen the success of "Hawaii 5-0" and are preparing to shoot the pilot program for "Magnum, P.I.". These shows provide a tremendous infusion of cash from offshore, creating high paying jobs for workers and business opportunities for vendors. Productions go where the tax credits are available. The \$35 million cap will stifle our industry by driving shows away. This has happened in Louisiana with a \$180 million cap, where productions left for greener pastures in Georgia. We cannot make this same mistake as it would decimate the local film industry. Please do what you can to support an industry that strongly promotes tourism in our state.

Respectfully submitted,

Dean Des Jarlais, Hawaii Media Inc.



Written Statement of
Derek Hall
Managing Director
GVS Accelerator
before the
House Committee on Economic Development & Business
Friday, January 26, 2018
10:00 a.m.
State Capitol, Conference Room 309

In consideration of
HB1328
RELATING TO THE FILM & DIGITAL MEDIA INDUSTRY DEVELOPMENT

Chair Evans, Vice Chair Keohokalole, and Members of the Committee on Economic Development & Business.

The GVS Accelerator **supports** HB1328 that provides an extension of the sunset on the film production tax credit to 2024 – GVS strongly supports removing the sunset altogether and making it an open-ended credit to ensure longevity of productions to the State.

The award-winning GVS Accelerator is the only one of its kind in the entire country. It focuses on Hawaiian companies, developing Hawaiian intellectual property to tell Hawaiian stories in a commercially viable way. Our cohorts are made in Hawai'i but created for the world.

The GVS Accelerator was founded in 2014 as a public/private partnership between the State of Hawai'i, the County of Hawai'i and private investors. Since then we have become one of the entertainment hubs for the State and are home to 18 resident companies, over 30 freelancers and have accelerated 12 companies to date, with another 3-4 companies about to be announced. We have a fulltime staff of 5 with over 100 contractors engaged each year on the neighbor island of Hawai'i.

Currently, the initial State investment has seen more than an indirect 200% return as these cohort companies bring millions of non-Hawaiian dollars to the State. Our most recent project, JO, THE MEDICINE RUNNER had a local economic impact of \$2.5 million to the local economy, created 75 jobs and supported over 800 other local vendors. Creative Industry metrics show that .40 cents to every dollar on a film project goes directly into the pocket of Hawaiian families.

The GVS Accelerator has won awards at the County, State and Federal levels, including being a three-time recipient of the Small Business Administration's Accelerator Growth Award – GVS is only one of four in the entire nation to be bestowed that honor.



Should the tax incentive not be extended, an entire industry is in jeopardy on the neighboring island of Hawai'i and significant innovation will be lost. In the last year alone, more than 300 students have passed through the Accelerator's doors for various workshops, internships and mentorships – inspiring the upcoming generation to think about an alternative industry to work in. These students range from middle schoolers to graduate students. One of the critical services that GVS can provide is vocational on-the-job training that helps to reverse the brain-drain.

In addition to an extension of the sunset – or, even better, lifting the end date entirely – GVS would like to see the yearly cap increased or removed to ensure local productions are able to compete with the larger mainstream productions coming to the State.

The Hawaii tax incentive is paramount for the film industry in the State of Hawaii. Without it, the industry will effectively vanish. Films and productions take years to develop and bring to fruition – should the sunset date be too close, then Hawaii is no longer a viable option for production. Please extend the sunset date – or remove it altogether to ensure this industry can thrive.

Thank you for the opportunity to offer these comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Derek Hall". The signature is stylized and cursive.

Derek Hall
Managing Director
GVS Accelerator | Honua Studios | GVS Connect
+1-808-339-7553

HB-1328-HD-1

Submitted on: 2/26/2018 9:13:31 AM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Ahmad Ramadan	Da Spot Health Foods and Juices	Support	No

Comments:

Committee on Finance

Tuesday, February 27, 2018

11am, Conference Room 308

RE: HB1328, HD1 RELATING TO FILM AND DIGITAL MEDIA INDUSTRY DEVELOPMENT

Dear Chair Luke, Vice-chair Cullen and members of the committee:

My name is Ahmad Ramadan, and I am the owner of Da Spot Health Foods and Juices, located on King Street near University Avenue. We have had the good fortune to cater some local commercials and eventually catered a few feature films. It is like feeding an army! Because of the additional funds we made during these films, I was able to make an outright purchase of a food trailer, specifically designed for film work in remote locations. I also employ additional food helpers when we cater these projects.

Myself, and many business owners like me, have made investments in equipment to supplement the film industry, and the loss of these jobs could mean that these customized pieces of equipment would sit idle in storage and some of us might not be able to continue the lease payments if we did not bring in additional income.

I am writing in SUPPORT of HB1328 and encourage the committee to find a solution to keep the film industry thriving for the betterment of everyone by postponing the implementation of the cap or lifting it altogether.

Aloha!

HB-1328-HD-1

Submitted on: 2/26/2018 11:23:38 AM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Jason Suapaia	Film and Video Association of Hawaii (FAVAH)	Support	No

Comments:

Aloha, Chair Luke, Vice Chair Cullen and the Members of the Committee,

On behalf the **200+** video and film industry professionals in the network of the Film and Video Association of Hawaii (FAVAH), **I submit this testimony in support of HB1328.**

FAVAH is a not-for-profit professional organization dedicated to the advancement of the motion picture, video and allied production industries. We have been a strong voice and advocate since 1989, and our mission is to provide support, education, and outreach for the industry. We work closely with all the local unions, state and county film offices, and several local video production companies.

Our network includes producers, directors, editors, camera operators, lighting technicians, casting directors, actors, location managers, and production assistants, just to name a few. All of which rely on the continued growth and success of our local film and digital media industry.

The TV shows, movies and commercial productions that use the Motion Picture, Digital Media, and Film Production Income Tax Credit employ hundreds of local residents and account for millions of dollars of expenditures in our local economy every year, especially with shows like Hawaii 5-O. Thus extending the sunset date would be very beneficial for all involved and provide a predictable incentive for these productions to count on when planning and budgeting.

FAVAH strongly support these efforts to increase stability and economic incentives for our film industry. We must maintain Hawaii's competitive edge with other locations in attracting qualified productions that will continue to generate positive revenue, jobs, and marketing exposure for our state.

Mahalo,

Jason Suapaia, Current Board President

Film and Video Association of Hawaii (FAVAH)

C- 808-389-7071

February 26, 2018

HOUSE COMMITTEE ON FINANCE
February 27, 2018, 11am

RE: HB1328 HD1 RELATING TO FILM AND DIGITAL MEDIA INDUSTRY

Dear Chair Luke, Vice chair Cullen and members of the committee:

I am a film industry worker in the state of Hawaii and support HB1328 HD1. I

Name: Akane Kashiwazaki
First Last
Honolulu 96815
City Zip

Position in the industry: Accountant

Signature: 

February 26, 2018

HOUSE COMMITTEE ON FINANCE
February 27, 2018, 11am

RE: HB1328 HD1 RELATING TO FILM AND DIGITAL MEDIA INDUSTRY

Dear Chair Luke, Vice chair Cullen and members of the committee:

I am a film industry worker in the state of Hawaii and support HB1328 HD1. I

Name: Valerie Hernandez
First Last

Honolulu 96816
City Zip

Position in the industry: _____ Production Asst.

Signature: Valerie Hernandez

February 26, 2018

HOUSE COMMITTEE ON FINANCE
February 27, 2018, 11am

RE: HB1328 HD1 RELATING TO FILM AND DIGITAL MEDIA INDUSTRY

Dear Chair Luke, Vice chair Cullen and members of the committee:

I am a film industry worker in the state of Hawaii and support HB1328 HD1. I

Name: Priscilla Stafford
First Last
Honolulu 96817
City Zip

Position in the industry: Assistant Director

Signature: 

February 26, 2018

HOUSE COMMITTEE ON FINANCE
February 27, 2018, 11am

RE: HB1328 HD1 RELATING TO FILM AND DIGITAL MEDIA INDUSTRY

Dear Chair Luke, Vice chair Cullen and members of the committee:

I am a film industry worker in the state of Hawaii and support HB1328 HD1. I

Name: Melissa Shupman
First Last

Waialua 96791
City Zip

Position in the industry: Asst. Location Manager

Signature: _____

February 26, 2018

HOUSE COMMITTEE ON FINANCE
February 27, 2018, 11am

RE: HB1328 HD1 RELATING TO FILM AND DIGITAL MEDIA INDUSTRY


Dear Chair Luke, Vice chair Cullen and members of the committee:

I am a film industry worker in the state of Hawaii and support HB1328 HD1. I

Name: Shelby Harper
First Last

Honolulu 910813
City Zip

Position in the industry: Asst. Location Manager

Signature: 

February 26, 2018

HOUSE COMMITTEE ON FINANCE
February 27, 2018, 11am

RE: HB1328 HD1 RELATING TO FILM AND DIGITAL MEDIA INDUSTRY

Dear Chair Luke, Vice chair Cullen and members of the committee:

I am a film industry worker in the state of Hawaii and support HB1328 HD1. I

Name: Lexington Graham
First Last

Honolulu 96826
City Zip

Position in the industry: Asst. Location Manager

Signature: _____

February 26, 2018

HOUSE COMMITTEE ON FINANCE
February 27, 2018, 11am

RE: HB1328 HD1 RELATING TO FILM AND DIGITAL MEDIA INDUSTRY

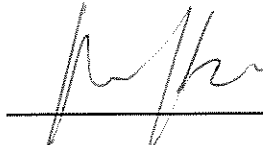
Dear Chair Luke, Vice chair Cullen and members of the committee:

I am a film industry worker in the state of Hawaii and support HB1328 HD1. I

Name: Lean Kaina
First Last

Honolulu 96813
City Zip

Position in the industry: Production Coordinator

Signature: 

February 26, 2018

HOUSE COMMITTEE ON FINANCE
February 27, 2018, 11am

RE: HB1328 HD1 RELATING TO FILM AND DIGITAL MEDIA INDUSTRY

Dear Chair Luke, Vice chair Cullen and members of the committee:

I am a film industry worker in the state of Hawaii and support HB1328 HD1. I

Name: Katie Doyle
First Last

Kaneohe 96744
City Zip

Position in the industry: Casting Director

Signature: Katie Doyle

February 26, 2018

HOUSE COMMITTEE ON FINANCE
February 27, 2018, 11am

RE: HB1328 HD1 RELATING TO FILM AND DIGITAL MEDIA INDUSTRY


Dear Chair Luke, Vice chair Cullen and members of the committee:

I am a film industry worker in the state of Hawaii and support HB1328 HD1. I

Name: Karen Wood
First Last

Honolulu 96825
City Zip

Position in the industry: Casting Associate

Signature: 

February 26, 2018

HOUSE COMMITTEE ON FINANCE
February 27, 2018, 11am

RE: HB1328 HD1 RELATING TO FILM AND DIGITAL MEDIA INDUSTRY

Dear Chair Luke, Vice chair Cullen and members of the committee:

I am a film industry worker in the state of Hawaii and support HB1328 HD1. I

Name: Jessica Cole
First Last
Kula 96790
City Zip

Position in the industry: Location Manager + Production Coordinator

Signature: 

February 26, 2018

HOUSE COMMITTEE ON FINANCE
February 27, 2018, 11am

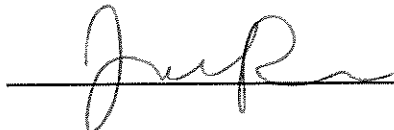
RE: HB1328 HD1 RELATING TO FILM AND DIGITAL MEDIA INDUSTRY

Dear Chair Luke, Vice chair Cullen and members of the committee:

I am a film industry worker in the state of Hawaii and support HB1328 HD1. I

Name: Julie De Rose
First Last
Honolulu 96822
City Zip

Position in the industry: Set Decorator

Signature: 

February 26, 2018

HOUSE COMMITTEE ON FINANCE
February 27, 2018, 11am

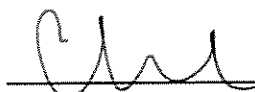
RE: HB1328 HD1 RELATING TO FILM AND DIGITAL MEDIA INDUSTRY

Dear Chair Luke, Vice chair Cullen and members of the committee:

I am a film industry worker in the state of Hawaii and support HB1328 HD1. I

Name: Chelsea Genova
First Last
Halema 96712
City Zip

Position in the industry: Location + Production

Signature: 

February 26, 2018

HOUSE COMMITTEE ON FINANCE
February 27, 2018, 11am

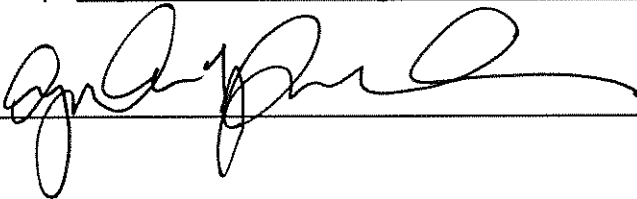
RE: HB1328 HD1 RELATING TO FILM AND DIGITAL MEDIA INDUSTRY

Dear Chair Luke, Vice chair Cullen and members of the committee:

I am a film industry worker in the state of Hawaii and support HB1328 HD1. I

Name: Aialea-Khatarina Pascual
First Last
Hialeah 96701
City Zip

Position in the industry: Accountant

Signature: 

February 26, 2018

HOUSE COMMITTEE ON FINANCE
February 27, 2018, 11am


RE: HB1328 HD1 RELATING TO FILM AND DIGITAL MEDIA INDUSTRY

Dear Chair Luke, Vice chair Cullen and members of the committee:

I am a film industry worker in the state of Hawaii and support HB1328 HD1. I

Name: Nicole Nakamoto
First Last
Honolulu 96816
City Zip

Position in the industry: Accountant

Signature: 

February 26, 2018

HOUSE COMMITTEE ON FINANCE
February 27, 2018, 11am

RE: HB1328 HD1 RELATING TO FILM AND DIGITAL MEDIA INDUSTRY


Dear Chair Luke, Vice chair Cullen and members of the committee:

I am a film industry worker in the state of Hawaii and support HB1328 HD1. I

Name: Courtney Fontaine
First Last

Keolu Honolulu 96734
City Zip

Position in the industry: Production

Signature: 

February 26, 2018

HOUSE COMMITTEE ON FINANCE
February 27, 2018, 11am

RE: HB1328 HD1 RELATING TO FILM AND DIGITAL MEDIA INDUSTRY

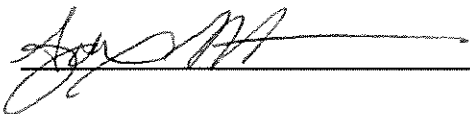
Dear Chair Luke, Vice chair Cullen and members of the committee:

I am a film industry worker in the state of Hawaii and support HB1328 HD1. I

Name: ALAN MAHARLIKA
First Last

Ewa Beach 96706
City Zip

Position in the industry: production assistant

Signature: 

Committee on Finance
Tuesday, February 27, 2018
11am, Conference Room 308

RE: HB1328, HD1 RELATING TO FILM AND DIGITAL MEDIA INDUSTRY DEVELOPMENT

Dear Chair Luke, Vice-chair Cullen and members of the committee:

I have been a Teamster Motion Picture Driver for 34 years and realize that having a Hawaii State tax incentive is essential for my livelihood. I have been in this Business long enough to know that without these tax incentives there will NOT be any further Motion Picture Filming in Hawaii.

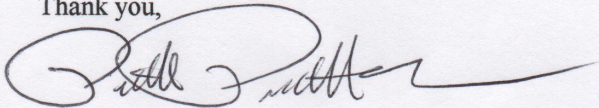
The Motion Picture Business has generated more than \$300 million in revenue to the State in EACH year in the past years. Besides hiring about 300 Hawaii residence to work within the Production crew, other businesses benefits as well; airlines and tourists spots, rental properties and hotels, car and truck rentals, grocery stores and farmer markets, department and wardrobe specialty stores, local motion picture equipment warehouse and prop houses, hardware and lumber stores. And even for myself personally, with the long hours and often travel to outer islands, I hire a house cleaner.

Being in this Industry so long, I remember when Film Productions stated moving their business to Canada in the 90's, understandably, they need to look for the best results for their dollars, and working in Canada got them incentives as well are a good rate exchange. Louisiana, ("hollywood south") realize the great benefits of Studios /Production Companies filming in their areas and increased their incentives with other refunds (Federal restoration benefits in restoring areas destroyed in the hurricane). And now we see where Georgia (20-30% rate), with the building of Pinewood Studios it has become competitive.

This, even more so, causes California to have to create their incentives and it immediately brought more jobs back to Hollywood that were lost to Canada, New Zealand and other States. In Hawaii, we have lost many of our film projects to Puerto Rico (40% rate) and New Mexico (30 to 35% rate), as well as Vietnam and Australia.

I will say it again: without these Hawaii State Credits there will NOT be any further Motion Picture Filming here. WE MUST KEEP THE JOBS IN HAWAII.

Thank you,

A handwritten signature in black ink, appearing to read 'Patti Patterson', with a long horizontal flourish extending to the right.

Patricia "Patti" Patterson
34 year Motion Picture Driver

HB-1328-HD-1

Submitted on: 2/26/2018 9:53:17 AM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Puna Kekai	Teamsters Local 996	Support	No

Comments:

Committee on Finance

Tuesday, February 27, 2018

11am, Conference Room 308

RE: HB1328, HD1 RELATING TO FILM AND DIGITAL MEDIA INDUSTRY DEVELOPMENT

Aloha Chair Luke, Vice-Chair Cullen and members of the committee:

I was born and raised in Hawaii Kai and currently live in Palolo. I originally started in the film industry as a caterer's helper and drove some of the catering trucks in a non-union position. Eventually, as work picked up, I was able to join the union. I am now married, and I am able to provide for my wife and myself, and we have good health insurance, and I am saving for our retirement.

Please don't allow our film industry to be cut back like New Orleans' industry did. It was devastating for them, and they still haven't recovered.

I am writing in SUPPORT of HB1328. Please extend the date to 2020 or remove the cap.

Mahalo for your support of our industry! ALOHA!

HB-1328-HD-1

Submitted on: 2/26/2018 10:13:09 AM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Brian Wallace	IATSE Local 665	Support	No

Comments:

Committee on Finance

Tuesday, February 27, 2018

11am, Conference Room 308

RE: HB1328, HD1 RELATING TO FILM AND DIGITAL MEDIA INDUSTRY DEVELOPMENT

Dear Chair Luke, Vice-chair Cullen and members of the committee:

I support the bill and the tax credit.

I would love to buy a house for me, my wife and my father but I fear it will never be possible. My father who has been in the industry for 35 years never could buy a house because of Hawaii's constant rise in cost of living and our industry being very volatile. We need a place to call home because I don't want my father to live in an old folks home. So please remove the cap so our industry has a chance to grow and stabilize.

Mahalo!

Brian Wallace

HB-1328-HD-1

Submitted on: 2/26/2018 9:40:15 AM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Terri Laigo	IATSE Local 665	Support	No

Comments:

Committee on Finance

Tuesday, February 27, 2018

11am, Conference Room 308

RE: HB1328, HD1 RELATING TO FILM AND DIGITAL MEDIA INDUSTRY DEVELOPMENT

Aloha Chair Luke, Vice-Chair Cullen and members of the committee:

Mahalo for allowing me to testify in SUPPORT of HB1328. I live in Waianae, and I am a seamstress and a wardrobe costumer in the film industry. I am so grateful for my career in the film industry because it allowed me to raise my three boys by myself. It was sometimes very difficult because the hours are very long and work can be scarce. I was able to provide a stable home for my children and afford health insurance as the sole breadwinner of my family.

I know your job is difficult, and I know you are doing the best you can for our State. I just want you to know that the cap will impact families and businesses if films don't come here. I don't think our industry is ready for that. I know I'm not. Please push the date for the cap to 2020 or please leave the bill the way it is with no cap. Mahalo!

HB-1328-HD-1

Submitted on: 2/26/2018 10:07:31 AM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
David Crans	IATSE Local 665	Support	No

Comments:

Committee on Finance

Tuesday, February 27, 2018

11am, Conference Room 308

RE: HB1328, HD1 RELATING TO FILM AND DIGITAL MEDIA INDUSTRY DEVELOPMENT

Aloha, Chair Luke, Vice-Chair Cullen and members of the committee:

I was born and raised in Hawaii and attended The University of Hawaii for film through the ACM program. The tax credits have brought in lots of jobs into the State and allowed me to get hands on experience in the career that I studied for. Because of this, there has been a lot of work, and I have been able to work in my home state instead of traveling to where the work is.

The money spent by productions changes hands many times over. When I receive my paycheck, I spend it on housing, food, fuel, etc. which supports local businesses. The employees of those businesses spend it on their essential needs as well, and the State receives taxes on my State income as well as the general excise tax for businesses.

The tax credit is doing its job - bringing work to the islands. If the film cap remains, films will go elsewhere - we have seen that in other cities who have a cap (a much higher cap!). Please remove the cap or move the date it starts to 2020. Our industry needs to prepare for possible employment in other industries.

Mahalo,

David Crans

HB-1328-HD-1

Submitted on: 2/26/2018 8:44:07 AM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kevin	IATSE Local 665	Support	No

Comments:

Hawaii State Legislator,

I have worked this industry for over 40 yrs in Hawaii. And have seen production Companys go to other countrys to film a tropical looking movie due to the tax cap. You all must realize the amount of money spent on jobs, hotels, rentals, food, the list is long. If you think they will come because it's Hawaii, think again. They go where they save money. Lets keep the revenue in Hawaii and not let it pass us by. Please remove the cap. or raise it above what other citys have done. and keep all the Tax paying businesses and people employed.

Thank you,

Kevin Kersting

HB-1328-HD-1

Submitted on: 2/25/2018 10:52:22 AM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Manuel Razon	IATSE local 665	Support	No

Comments:

Committee on Finance

[Tuesday, February 27, 2018](#)

[11am](#), Conference Room 308

My name is Manuel Razon and I live in Makaha. I'm a union member (local 665). I am a father of 3 children and also take care of my elderly mother. We are requesting you to remove the cap on our film industry. Since I have gotten into this union I have bought a house. I have also purchased 2 cars. I pay my taxes every year. By taking the cap off of our industry it will flourish. When a film is in town we spend money in most hotels. Also most of the tourist I see say they chose hawaii because they wanted to come see hawaii five 0. What I'm saying is that by taking this cap off, it will help our industry, and support a lot of other industry. We bring in revenue that might get overlooked because, some might not see the bigger picture. Removing the cap will help my family, and all of the state of Hawaii. Please help us and remove the cap. This is especially for my representative Cedric Gates. My whole family voted for you. We are now asking that you put our votes to good use and help us in our cause. Thank you all for your time.

sincerely,

Manuel Razon

HB-1328-HD-1

Submitted on: 2/26/2018 8:59:37 AM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Lauren "Liz" Toys	IATSE Local 665	Support	No

Comments:

Committee on Finance

Tuesday, February 27, 2018

11am, Conference Room 308

RE: HB1328, HD1 RELATING TO FILM AND DIGITAL MEDIA INDUSTRY DEVELOPMENT

Dear Chair Luke, Vice-Chair Cullen and Members of the Committee:

I am a registered nurse in the State of Hawaii and also work on the film sets as a medic. Over the years, I have also received training as a props assistant and stuntperson. I SUPPORT HB1328. If the committee cannot find a way to lift the cap, please allow us more time to prepare for the cap by starting the cap in 2020 instead of 2019.

I am one of the lucky ones. I can find jobs in nursing if jobs dry up, but my coworkers whose main job is in the film industry will need to retrain for other industries or move to where the work is.

Mahalo for your kind consideration of my testimony.

Aloha,

Liz Toys

HB-1328-HD-1

Submitted on: 2/26/2018 1:54:48 PM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kenneth Kekoa Sua	IATSE Local 665	Support	No

Comments:

Committee on Finance

Tuesday, February 27, 2018

11am, Conference Room 308

RE: HB1328, HD1 RELATING TO FILM AND DIGITAL MEDIA INDUSTRY DEVELOPMENT

Aloha Chair Luke, Vice-chair Cullen and members of the committee:

I have worked on many films and television shows as a Lead Greensman. We often rent hundreds of plants from nurseries around the island, purchase large amounts of sod, dirt, and fertilizer from local stores like City Mill and Hardware Hawaii, and, on small shows, we rent machinery from shops like Hawaiian Rent-All. These transactions over the years have allowed me to forge strong relationships with our vendors, and they always try to anticipate when a show is coming in by ordering ahead of time.

The dollars brought into the State go into local workers' pockets, not just the producers and the actors. I have been able to purchase a home and provide a good lifestyle for my wife and my family.

Capping our Film Tax Credit will hurt more people than just those of us who work in the film industry. I encourage the Committee to work with us to find other solutions. Please leave the tax credit as it is or move the start date to 2020.

Mahalo!

HB-1328-HD-1

Submitted on: 2/24/2018 10:59:15 PM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Ron Evans	IATSE 665	Support	No

Comments:

Please remove the \$35 million cap for film productions in Hawaii. Our local film industry creates numerous jobs. It also brings in new money that would just as easily go to another location if we do not do everything in our power to encourage these jobs to come to Hawaii.

HB-1328-HD-1

Submitted on: 2/26/2018 9:54:39 AM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
GERARD KAMAN	IATSE 665	Support	No

Comments:

HB1328 EXTENDING BILL TO 2020

ALOHA ,

BILL HB1328, A VITAL KEY IN THE CURRENT AND FUTURE SUCCESS OF THE ENTERTAINMENT INDUSTRY IN OUR GREAT STATE OF HAWAII MUST BE EXTENDED TO 2020.

THE ENTERTAINMENT INDUSTRY, AS IN ANY MAJOR BUSINESS, CREATES AND DECIDES ON FUTURE BUSINES YEARS AHEAD OF SCHEDULED PRODUCTION.

MILLIONS OF DOLLARS IN HAWAII INCOME FOR LOCAL CITIZENS AND THE STATE WILL BE LOST IF PRODUCTION COMPANIES ARE FORCED TO MOVE ELSEWHERE BECAUSE THE FUTURE OF BILL HB1328 IS IS UNCERTAIN.

HAWAII 50 AND EVEN THE UPCOMING MAGNUM P.I., IF NOT FOR CURRENT TAX RELIFE, CAN BE SHOT IN OTHER LOCATIONS AROUND THE WORLD AND WITH TODAY'S DIGITAL MAGIC, LIBRARY SCENES OF HAWAII CAN BE CUT IN.

IT TAKES YEARS FOR A MOVIE,TV SHOW, OR BROADWAY PLAY, TO BE CREATED.

PRODUCERS DECIDE YEARS IN ADVANCE WHERE THEY WILL SHOOT. HB1328 HAS BEEN A CASH MACHINE FOR THE STATE. OUR FUTURE IS TODAY. EXTEND HB1328 TO 2020 IN THE INTEREST OF YOUR FELLOW HAWAIIANS AND HAWAII.

SINCERELY
GERARD KAMAN
IATSE LOCAL 665

HB-1328-HD-1

Submitted on: 2/26/2018 9:29:55 AM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Lisa Mitchell	IATSE 665	Support	No

Comments:

Committee on Finance

Tuesday, February 27, 2018

11am, Conference Room 308

RE: HB1328, HD1 RELATING TO FILM AND DIGITAL MEDIA INDUSTRY DEVELOPMENT

Dear Chair Luke, Vice-Chair Cullen and members of the committee:

My family lives in Nu'uuanu, and my husband and I both work in the film industry. Our careers have allowed us to purchase a home and afford a private school education for our son. We have good health insurance because of our jobs, and we are rarely on unemployment. We would be adversely affected by the loss of jobs in our industry.

We SUPPORT HB1328 and write in favor of extending the date of the start of the cap or removing the cap altogether.

Thank you for allowing me to testify on this very critical measure,

Lisa Mitchell

HB-1328-HD-1

Submitted on: 2/26/2018 1:07:05 PM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Alexandra Hearn	IATSE 665	Support	No

Comments:

Committee on Finance

Tuesday, February 27, 2018

11am, Conference Room 308

RE: HB1328, HD1 RELATING TO FILM AND DIGITAL MEDIA INDUSTRY DEVELOPMENT

Dear Chair Luke, Vice-chair Cullen and members of the committee:

I attended Chapman University for film school and graduated from UH with BA's in Graphic Design and Marketing. My first film was "The Descendants" where I worked as an Art Dept PA, an entry-level position. Years later, I have been blessed to be working as the Art Dept Coordinator on "Hawaii Five-O." I am working in a field that I studied in and am passionate about.

Working on the inside of a production provides you a unique perspective on how decisions are made - what are they looking for in a location? How easily can we get materials here? What's the skillset of the crew here? All of these and many more play into the decision of why a show comes to Hawaii, but in the end it comes down to dollars. And we all know it's not cheap to come here, let alone shoot here.

The Film Tax Credit keeps Hawai'i competitive as a global location. The cap will make us less competitive. Please remove the cap or move the start date to 2020. Mahalo!

HB-1328-HD-1

Submitted on: 2/25/2018 11:21:11 AM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
kecia littman	locall 665	Support	No

Comments:

I would like to ask the Finance Committee to CHANGE THE EFFECTIVE DATE TO 2020 or leave the tax credit as it is now, WITH NO CAP.

HB-1328-HD-1

Submitted on: 2/26/2018 7:12:27 AM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Andrea Hambuchen	Local 665	Support	No

Comments:

"Committee on Finance

Tuesday, February 27, 2018

11am, Conference Room 308

RE: HB1328, HD1 RELATING TO FILM AND DIGITAL MEDIA INDUSTRY DEVELOPMENT

Dear Chair Luke, Vice-chair Cullen and members of the committee:"

I have been a draper and upholsterer in the movie industry for many years, working on features and tv shows. Being able to work in my craft has made a huge difference in my life and given me the opportunity to save money and eventually buy a house. The security of health insurance, in an insecure world has given me piece of mind.

As a draper, I know first hand how much money a production spends that goes to local businesses. In my department alone, we spend thousands and thousands of \$ on each film/show that goes directly to local vendors here in Honolulu and surrounding areas. The money is spent on fabrics, sewing supplies, sewing machines, tools etc.

I always try to find local vendors and support them with my business so the money stays within Hawaii.

The trickledown effect is huge because money is spent on so many levels, from buying food and lunch, to gas, to renting equipment, going to restaurants and staying at hotels and renting houses. We as local film workers do all those things but the film workers coming in for a short period of time also spent their money on those items.

I strongly believe that the film industry provides a great future for Hawaiian generations to come with making a decent living for themselves and their families.

Sincerely,

Andrea Hambuchen

HB-1328-HD-1

Submitted on: 2/26/2018 10:16:47 AM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
LeVon Webb	IATSE Local 44	Support	No

Comments:

Committee on Finance

Tuesday, February 27, 2018

11AM, Conference Room 308

RE: HB1328, HD1, RELATING TO FILM AND DIGITAL MEDIA INDUSTRY DEVELOPMENT

Aloha, Chair Luke, Vice-Chair Cullen and the Members of the Committee:

My name is LeVon Webb. I am a 22 year member of California Local 44 and a new member of Hawaii Local 665. My family and I now live in Haleiwa. I whole heartedly support the bill to remove the tax credit cap and if not at the very least extend the effective start date to 2020.

I can attest to the negative impacts of not competitively incentivizing tax credits to film and television productions as I experienced it first hand when the state of California failed to do so starting in the early 2000's. Over a 10 year period thousands of jobs and hundreds of millions of dollars were lost to due "run away" productions leaving the state unabated for states like Georgia and New Mexico that offered better incentives. Consequently feature film work all but dried up forcing many of us to work for less hours and sometimes less wages in television. Others were forced to uproot their families and follow productions out of state or were forced to leave the business completely. The negative impact it had on the California economy was wide spread and far reaching. It is only within the past couple of years that California has begun to recover the very industry it started by reinvigorating their tax incentives.

Now, as a Hawaii resident with a wife and 3 children to support I am as dependent as ever upon the health and vitality of the film and television industry in Hawaii. So many of us are. Hawaii's economy is as well. Please pass this bill to remove the cap. Keep these productions coming here, attract more production here and keep this strong and talented work force working, thriving and providing for their families in this great industry! Mahalo.

HB-1328-HD-1

Submitted on: 2/25/2018 10:59:35 AM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Gregory	Individual	Support	Yes

Comments:

Dear Chair Luke, Vice-chair Cullen and members of the committee,

This letter is in support of HB1328

I am a Gaffer and Set Lighting Technician for Motion Pictures and TV Commercials. My first job was with a small production company named Sight and Sound Studios in Honolulu. My first responsibilities included cleaning equipment after it came back from shoots and counting inventory, I dreamed of working on big budget movies with fancy special effects and famous actors. It was a long and trying road for me to succeed in this business, all of the major studios would not hire me over their more experienced Los Angeles counterparts. It was only because of the tax incentives that producers are interested in bringing their movies to Hawaii, and because of their repeated visits we were able to develop trusting relationships and obtain better positions in the movies.

My career is continues to grow. I have worked on over 40 movies and TV shows. My client list spans internationally from Los Angeles, Australia, New York, San Fransisco and that has led to me traveling the country to multiple film festivals including Sundance and Los Angeles Film Festival with films that I have worked on. It has been an amazing journey and none of it would have been possible without the Tax Incentive.

Not only is the Tax incentive good for the movie business and supporting industries such as hotel, car rental, restaurants, airlines, gas, clothing, etc. It has also spurred on a charity effort in a group of us at IATSE 665. We have created a Young Workers Committee that is dedicated to supporting and promoting youth in the production industry by teaching them leadership skills. With this committee we create charitable events for community organizations to benefit from. It has been a successful way to introduce newer workers into leadership positions by getting involved with projects from conception to completion and has pushed our future leaders out of their comfort zones to grow and build something bigger. Together we have raised Large donations of school supplies for kids as well as food drives for the hungry. Our latest project, Hola Aloha, raised a few thousand dollars to help purchase water purification systems to help with the hurricane relief in Puerto Rico. This all would not have happened if there was no tax incentive to set these actions in motion.

I feel like there is no limit to where my career can lead. In recent years the Grammys has started the Hawaiian music category. It would be a big step one day to see a Hawaiian category in the Emmys or Oscars. Putting a cap on the incentive is a bad move and will put a cap on how far local hires will be able to succeed. With the world of digital imaging and visual effects, creating "fake" backgrounds is becoming easier and cheaper. The Tax incentive is a big draw for companies to stay longer and shoot more footage in Hawaii. If there is a cap, they will pack up and leave as soon as they reach that limit. This will inhibit our local crews from gaining other necessary experience that would otherwise help them to grow into film makers that are internationally viable and also keep interest in continuing to produce shows in Hawaii

Sincerely,

Gregory Doi Jr

HB-1328-HD-1

Submitted on: 2/24/2018 9:39:46 AM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Raimar Bylaardt II	Individual	Support	No

Comments:

Aloha!

My name is Raimar van den Bylaardt II and I have been working in the motion picture industry since 2004. I started working mostly in Japanese commercials but unfortunately, they are "virtually gone" to other cheaper places to shoot and where visa requirements are not such a burden. Because of the huge decline in that business, I was forced to make a move and focused in the movie industry. Because of the tax credits, an almost steady flow of work has become a reality for me and lots of my friends. If it was not for the tax credits, producers would have looked for other places to make their movies and we would be out of jobs. Production work brings millions of dollars to Hawaii's economy, directly and specially indirectly, and that's why it is so important we keep the Tax Credits going strong and without caps so more productions will be attracted to our beautiful State and many can benefit from it.

I am in strong support of HB1328 because it keeps me any many more employed, and if it is gone, so will be our jobs!

Thank you. Sincerely,

Raimar Bylaardt II

HB-1328-HD-1

Submitted on: 2/24/2018 8:19:58 PM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Mariann Tesauro	Individual	Support	No

Comments:

HB-1328-HD-1

Submitted on: 2/24/2018 9:19:46 PM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Jonathan Hanks	Individual	Support	No

Comments:

Please Remove the \$35 Million dollar Cap or change the effective date from 2019 to 2020.

To the Honorable Chair Sylvia Luke
Honorable Vice Chair Ty J.K. Cullen
Members of the Finance Committee.

Aloha,

I am in **strong support** of bill HB1328 for many reasons:

- Entertainment industry is an industry that bring a decent pay check home, and protected by negotiated contracts.
- **Working full time** the last few years, I was able to remodel my Kaka'ako condo, getting a building permit at the City Hale, hiring licensed contractors, buying materials and appliances locally, bringing money into the state and city's economy.
- When I am working fulltime I am ready to go out and spend money into a good restaurant, looking for a new car, visiting the relatives on the Big Island or just shopping.
- **When I am not working**, everything is on hold, I am on survival mode as I don't know when the new show will come. Only grocery trips are on.
- When I am not working, the state is disbursing a full week of unemployment insurance instead of having a production company paying me 4 to 5 times this amount with medical insurance, social security and state tax deductions.
- The movie Industry is a safe industry, working under strict safety rules, we are all professionally trained for our craft.

We leave the shooting locations cleaner than we found them, the explosions (**Pearl Harbor, Tears of the Sun, King Kong, Tropic Thunder**), the car chases (**Hawai'i Five O**), the earthquakes (**Mac Giver/Five O**), the submarines (**Last Resort**) the dinosaurs (**Jurassic World**) The gorilla in the jungle (**King Kong**), the monster creating a tsunami in Waikiki (**Godzilla**) and the plane crash (**Lost**) are all fake. The dreams we give to people of a paradisiac island (**Blue Hawai'i, 51st Kiss, Aloha**) The sandy beaches and turquoise water (**Bay Watch, Blue Crush, Water World**), The motorcycle chase in the jungle (**Jumanji**), that dream is forever on a film. We are sending a **free brochure** that will last eternally and will be available to anyone around the world.

Today I am just coming from Atlanta where I was called to work on a feature film that kept me away 6 months out of Hawai'i because of the state of Georgia aggressive business approach regarding the film industry. Tyler Perry Studios just completed 12 brand new stages on a former military base purchased last year, with a main one with a water tank coming soon.

I urge the Finance Committee to support Bill HB1328, and remove the cap to keep the local movie industry thriving and prospering.

Thank you for your time.

Guy BELEGAUD

Honolulu

HB-1328-HD-1

Submitted on: 2/25/2018 7:29:39 AM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Brenda Lopez-Zeitz	Individual	Support	No

Comments:

I've been working as a Script Supervisor on Oahu for 20 years and I have witnessed the positive affects that the entertainment productions have brought to the islands. Film and TV productions create so many jobs for the local people. In turn, the money made is put back into the economy instantly. AND the exposure Hawaii gets is amazing. More and more people come to visit the islands to see all the various locations we have filmed at.

HB-1328-HD-1

Submitted on: 2/25/2018 9:23:21 AM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Herman J K Silva	Individual	Support	No

Comments:

HB-1328-HD-1

Submitted on: 2/25/2018 11:50:50 AM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kay Carter	Individual	Support	No

Comments:

Aloha Finance Committee:

Thank you for this opportunity to submit testimony on the importance of raising or eliminating the film industry cap for incoming productions.

I have worked in the film industry here since 1988 and I've seen the positive effects of the tax credit on the entertainment industry in Hawaii. The number of films and television shows coming here increased almost immediately when the credit went into effect. The economic lives of our workers became more stable and productive when the work became available and they could survive in Hawaii's increasingly expensive economy.

Currently, I have the privilege of serving as an officer of the IATSE (the union that provides technicians and workers to films, stage shows and conventions here in Hawaii). In my capacity, I talk with film industry workers every day and I hear first-hand about the challenges of employment in entertainment. We all want to live good and productive lives in this beautiful state; by bringing film production to Hawaii, the tax credit has made that possible for countless families. If the cap on the tax credit is removed or raised, it will enable even more Hawaii residents to buy homes, fund education for their children and increase the economic wellbeing of their families and the state as a whole. In my own case, I now own a home on the Big Island and am planning for a secure retirement - things I did not even imagine possible when I joined the entertainment industry in 1988.

The film industry is clean, environmentally friendly and gives the world a chance to see our beautiful islands. What could be better?

I want to speak for myself and my union brothers and sisters, as well as the many independent businesses who depend on the film industry for their livelihood, I'm asking you to give careful consideration to raising or – better yet – completely eliminating the cap on the tax credit.

Thank you for your attention to this measure. It means so much to so many.

Kay Carter

HB-1328-HD-1

Submitted on: 2/25/2018 3:51:52 PM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Christina Lee	Individual	Support	No

Comments:

Committee on Finance

Tuesday, February 27, 2018

11am, Conference Room 308

RE: HB1328, HD1 RELATING TO FILM AND DIGITAL MEDIA INDUSTRY DEVELOPMENT

Dear Chair Luke, Vice-chair Cullen and members of the committee:

I've been working for the Movie/Film Industry for about 10 years here on Oahu. My first job was an internship with the TV Show LOST during my senior year at University of Hawaii. Not only did I gain knowledge - I've had the blessing to keep having jobs after graduating college. The movie/film industry helped me save money - to pay for college loans, buy a car... Working in this industry aslo expanded my abilities at work and skill set. I am currently on the show Hawaii Five O - and I would love to keep working.

Please remove the cap or change the start date to 2020. We all need jobs here on Oahu - the more movies and tv shows come to shoot in Hawaii - the more knowledge we will gain. The more we can expand our family and stay strong. I love what I do, I want to learn more, and I hope that I will be working in this indstury for a long time.

Thank you very much.

HB-1328-HD-1

Submitted on: 2/25/2018 5:34:19 PM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
sheldon lehman	Individual	Support	No

Comments:

lawmakers please support HB 1328, I wouk in the movie industry and know the economic value the industry brings to the state of hawaii,I am currently the welding shop foreman on the new Disney film Jungle Cruise, being made here on Kauai. This film alone Will employ hundreds of local people and that money will stay here in Hawaii. We have to compete with other states for film work, Luisiana, Georgia and several others offer better tax credits than we do. But lets face it if a director or producer have a choice between a swamp in Luisiana or a tropical Island and the difference is ony 5 or 10 percent, they will chose Hawaii. Pleasa help the State by helping us, Thank You, Sheldon Lehman

HB-1328-HD-1

Submitted on: 2/25/2018 6:11:13 PM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Jim Murphy	Individual	Support	No

Comments:

I've lived in Hawaii for over 50 years and was fortunate enough to enter the entertainment industry in the 1980's. For many years, the work was scarce and uncertain. I was young and willing to trade my security for work that was challenging and interesting. Once the tax credits were enacted, the film industry began to grow rapidly. It was then possible to earn a good living for myself and my family. Now - as I approach my retirement years - I want to see that opportunity afforded to the young people of Hawaii. If the tax credit cap is not extended or eliminated, the film industry will not prosper here. The producers will go to other states and we will be left behind. Don't force the young people of Hawaii to go to the mainland to pursue their dreams. You have it within your power to keep this industry strong and vital here in Hawaii. Please do so.

Jim Murphy

HB-1328-HD-1

Submitted on: 2/25/2018 7:21:32 PM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
eugene lum	Individual	Support	No

Comments:

I support cap removal and start date 2020

I have worked in the film industry for 14 years I have seen us go from shooting entire movies

here in Hawaii . Lasting anywhere from 6 to 12 months total . Down to 6weeks total because of the cap we have in place now the movie productions leave as soon as they hit the cap and go elsewhere to finish off their project.which in turnn means hundreds of millions in lost wages for us and our families. Not to mention a lot of lost revenue for the small businesses that support the movie industry.

aloha Eugene Lum and family

HB-1328-HD-1

Submitted on: 2/25/2018 8:19:01 PM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Adam Joy	Individual	Support	No

Comments:

HB-1328-HD-1

Submitted on: 2/25/2018 9:53:54 PM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
josh harmsworth	Individual	Support	No

Comments:

I strongly support The removal of the Completely. Im a freelance videographer, and have been working in Hawaii for the last 13 years. I depend on productions coming to Hawaii and the tax incentives are a huge part of that. It is especially important for me on the big Island of Hawaii that the smaller productions which is my bread-and-butter do not miss out on the tax credit. The credit is very detrimental to me and my business

HB-1328-HD-1

Submitted on: 2/25/2018 10:24:59 PM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Myles Kawakami	Individual	Support	No

Comments:

Committee on Finance

Tuesday, February 27, 2018

11am, Conference Room 308

RE: HB1328, HD1 RELATING TO FILM AND DIGITAL MEDIA
INDUSTRY DEVELOPMENT

Dear Chair Luke, Vice-Chair Cullen and members of the committee:

I am a Fourth Generation film industry worker. Over the course of nearly 50 years in the industry, we have forged relationships with people from all over the world, and they have come to respect the level of talent we have here and confidently hire our local workers. In the end, it is a business, and they need to go where their dollars are best spent. I don't want to see these relationships that have taken decades to develop disappear due to the Film Tax Credit \$35 million cap. I know other states have had to scramble after losing the majority of their jobs once the tax cap was enacted.

Ideally, I would like to leave the Tax Credit the way it is - with no cap - but if the Committee must leave a cap in place, we need more time to prepare our industry [before](#) the jobs stop coming and request that the start date for the cap begin in 2020.

Mahalo,

Myles Kawakami

HB-1328-HD-1

Submitted on: 2/25/2018 11:11:03 PM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Henry Gonzalez	Individual	Support	No

Comments:

Committee on Finance

Tuesday, February 27, 2018

11am, Conference Room 308

RE: HB1328, HD1 RELATING TO FILM AND DIGITAL MEDIA INDUSTRY DEVELOPMENT

Dear Chair Luke, Vice-chair Cullen and members of the committee:

I am in favor of removing the \$35 million cap OR changing the start date to 2020 so that we have more time to react to this drastic change to our industry.

Mahalo,

Hank Gonzalez

HB-1328-HD-1

Submitted on: 2/25/2018 11:19:16 PM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Aaron Ellis	Individual	Support	No

Comments:

Committee on Finance

Tuesday, February 27, 2018

11am, Conference Room 308

RE: HB1328, HD1 RELATING TO FILM AND DIGITAL MEDIA INDUSTRY DEVELOPMENT

Dear Chair Luke, Vice-Chair Cullen and members of the committee:

I work in the film industry, and I SUPPORT 1) leaving the Film Tax Credit without a cap OR 2) postponing the start date of the cap for at least a year until we find a good compromise that will continue to allow our industry to thrive while minimizing the burden to the State.

Mahalo for allowing me to testify,

Aaron Ellis

HB-1328-HD-1

Submitted on: 2/25/2018 11:31:25 PM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Melissa Mahealani Medeiros	Individual	Support	No

Comments:

Committee on Finance

Tuesday, February 27, 2018

11AM - Conference Room

RE: HB1328, HD1 Relating to Film and Digital Media Industry Development

Dear Chair Luke, Vice-Chair Cullen and Members of the Committee:

I am in SUPPORT of HB1328 and would like the Finance Committee to consider removing the cap OR delaying the start of the cap until 2020. Our industry is just learning of the negative effects caps are having on other State's film credits, and we need time to come consider options that will allow our industry to continue to grow while being responsible to taxpayers.

Mahalo,

Mahealani Diego

HB-1328-HD-1

Submitted on: 2/25/2018 11:37:58 PM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Tuiaana Scanlan	Individual	Support	No

Comments:

My name is Tuiaana Scanlan and I support HB1328.

The Entertainment industry, namely Film and TV, have been my primary source of income for the past 10 years. I've worked on films such as King Kong: Skull Island, Jurassic World 1 & 2, and Godzilla among others. It is because of this work that my family is thriving. My wife and I wouldn't have been prepared to raise our young child without the financial freedom that these jobs have provided. We've purchased newer and safer vehicles because of this work. The Film and TV industry makes it so that my wife and I don't have to just dream about home-ownership "one day". We are actively saving for a downpayment on a house and it is directly related to the work brought here by Hawaii's Film Tax incentive.

The effect that this industry has on our islands is profoundly bigger than merely my individual family's success. Last year, the Film industry brought in \$320 million dollars to the State of Hawaii. Over the years, we have grown steadily from a \$100 mil annual industry to a \$300 mil industry. It has generated hundreds of millions of dollars in business revenue and over \$100 mil in household income every year. One example of the unforeseen benefits of this work is Kualoa Ranch. Films are no stranger to the Valley. The film locations' rental fees generate income for the Ranch immediately. Tourists then flock to Kualoa Ranch in droves to see where all of the sets are/were. Tourists come to see Hawaii in all of its lush and verdant grandeur. Our industry provides greater visibility to the State than any commercial can. Because of the films we create here, we actively affect the Tourism industry positively.

The current cap will force our industry into a recession. Some of my co-workers have recently bought houses and would have to leave the industry to find ways to pay their mortgages, if they could find a way to pay them at all. Many of us would be on Unemployment until we can find work. We would have less opportunities for new workers to enter the industry. The State of Hawaii has allocated millions of dollars to the creation of a Film School in West Oahu. These up and coming new workers need a thriving field to enter. What good is a West Oahu Film School if there's nowhere for them to apply those skills in their home state?

Limiting the film tax incentive has had dire consequences in other states. Louisiana was

once overflowing with Film/TV . Jurassic World 1 actually traveled to Baton Rouge and New Orleans to complete filming that began on O'ahu and Kaua'i. When Louisiana instituted a \$180 mil cap and Pittsburgh capped their tax credit at \$60 mil (both of which seem astronomically high in comparison), 75% of their film work left their States and went to Atlanta. The windfall from those caps created \$9.2 billion in film revenue for Atlanta last year. They have a high tax credit and NO CAP. This led to the creation of the Georgia Film Academy and the building of sound stages in and around Atlanta. Vendors, contractors, construction companies, heavy machinery rental companies, restaurants, car dealerships, and a myriad of other businesses benefit heavily from the money Georgia's Film industry generates. We don't want to be Atlanta. We also don't want to embody the cautionary tales of Louisiana and Pittsburgh. Georgia is an excellent example of how a thriving film industry benefits the State.

Because of the devastating experiences suffered by cities that implemented caps on their credits, I think that any cap, no matter how high, will deter films from coming here. For that reason, I support the recommendation of the EDB Committee to remove the cap completely.

If the Finance Committee feels that the tax credit must have a cap, then I support changing the start date to 2020 so that we can prepare our industry for this colossal setback and the Hawaii Film Office can implement procedures for tracking an industry with a cap. It would also allow us to study some of the alternatives other States have used so we can find a mutually-beneficial solution BEFORE we lose so many jobs.

Voting in opposition to HB1328 adversely affects my friends, my coworkers, and my family. Opposing HB1328 will actively reduce the amount of money brought into the State of Hawaii by hundreds of millions of dollars. It is for these reasons that I support HB 1328

HB-1328-HD-1

Submitted on: 2/26/2018 12:49:40 AM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
kamakani de dely	Individual	Support	No

Comments:

Committee on Finance

Tuesday, February 27, 2018

11am, Conference Room 308

RE: HB1328, HD1 RELATING TO FILM AND DIGITAL MEDIA INDUSTRY DEVELOPMENT

Dear Chair Luke, Vice-chair Cullen and Members of the Committee:

Mahalo for the opportunity to present testimony in SUPPORT of HB1328. I am a Make-Up artist in the film industry, and I reside in Wai'anae. I am very encouraged to hear that a Film School will be built at UH-West Oahu. Investing in the film industry's future is definitely a move I support, especially in the Wai'anae Moku! Please remove the cap so our industry can continue to grow or, at the very least, start the cap after we have had a chance to analyze other possible solutions before a reduction in jobs occurs.

Mahalo for your time,

Kamakani De Dly

HB-1328-HD-1

Submitted on: 2/26/2018 1:09:47 AM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Jerrod Weida	Individual	Support	No

Comments:

Committee on Finance

Tuesday, February 27, 2018

11am, Conference Room 308

RE: HB1328, HD1 RELATING TO FILM AND DIGITAL MEDIA INDUSTRY DEVELOPMENT

Dear Chair Luke, Vice-chair Cullen and members of the committee:

I am a member of the Carpenter's Union, and I live in Ewa Beach. I was given the opportunity to work on a show last year when the town was so busy that the IATSE ran out of Propmakers (Film Carpenters). I was able to work in the film industry when my primary industry was slow. This allowed me to stay off of Unemployment. I also like that there is a stage at Kalaeloa so companies have an option besides Diamond Head Studio, and I have an opportunity to work near my home. The building of a film school in West Oahu means that more local kids will be able to earn a degree in film and contribute to our growing industry.

Please leave the tax credit without a cap or push it another year so we can prepare for the cap before jobs go elsewhere.

Mahalo,

Jerrod Weida

HB-1328-HD-1

Submitted on: 2/26/2018 1:33:12 AM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Rene Rodriguez	Individual	Support	No

Comments:

Committee on Finance

Tuesday, February 27, 2018

11AM, Conference Room 308

RE: HB1328, HD 1 RELATING TO FILM AND DIGITAL MEDIA INDUSTRY DEVELOPMENT

Dear Chair Luke, Vice-Chair Cullen and members of the committee:

I am a Make-Up Artist in Hawaii's film industry as well as in the fashion industry. I really enjoy the challenges and creative opportunities that the film industry provides for my craft.

I am writing in strong SUPPORT of HB1328 and would prefer that the tax credit remains the way it was, without a cap. I have been trying to work on more film jobs, but I can't do that unless the town is busy, and if the cap is added to the credit, there will be fewer jobs to go around.

Please consider leaving the tax credit without a cap until a less severe solution can be found.

Mahalo,

Rene Rodriguez

HB-1328-HD-1

Submitted on: 2/26/2018 1:52:43 AM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Steven Naeole	Individual	Support	No

Comments:

Committee on Finance

Tuesday, February 27, 2018

11am, Conference Room 308

RE: HB1328, HD1 RELATING TO FILM AND DIGITAL MEDIA INDUSTRY DEVELOPMENT

Dear Chair Luke, Vice-Chair Cullen and Members of the Committee:

My name is Steven Naeole, and I live in Makakilo. I am a laborer in the film industry, and my goal is to work and learn as much as I can about the industry during my career. I don't always get to work, especially when it's slow, but when lots of companies come into town, more of us have a chance to work, which means more of us are spending money and buying things we need, like groceries and clothes, and things we don't need, like going to the movies and eating out. Films help the economy.

Please allow the film tax credit to remain without a cap or please start the cap in 2020, when we've had a chance to prepare.

Mahalo,

Steve Naeole

HB-1328-HD-1

Submitted on: 2/26/2018 6:01:52 AM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
William Preston	Individual	Support	No

Comments:

HB-1328-HD-1

Submitted on: 2/26/2018 8:43:00 AM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Chad Hirokane	Individual	Support	No

Comments:

Remove the cap.

HB-1328-HD-1

Submitted on: 2/26/2018 8:51:19 AM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Patricia Horvath	Individual	Support	No

Comments:

Committee on Finance

Tuesday, February 27, 2018

11am, Conference Room 308

RE: HB1328, HD1 RELATING TO FILM AND DIGITAL MEDIA INDUSTRY DEVELOPMENT

Dear Chair Luke, Vice-chair Cullen and members of the committee:

I request to remove the cap or change the start date to 2020.

Because of the devastating experiences suffered by cities that implemented caps on their credits, I think any cap, no matter how high, will deter films from coming here. For that reason, I support the recommendation of the EDB Committee to remove the cap completely.

If the Finance Committee feels that the tax credit must have a cap, then I support changing the start date to 2020 so that the industry can prepare for this setback and the Hawaii Film Office can implement procedures for tracking an industry with a cap. It would also allow time to study some of the alternatives other states have used so that a mutually-beneficial solution can be found BEFORE so many jobs are lost.

HB-1328-HD-1

Submitted on: 2/26/2018 9:05:16 AM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Allison Seales	Individual	Support	No

Comments:

Committee on Finance

Tuesday, February 27, 2018

11am, Conference Room 308

RE: HB1328, HD1 RELATING TO FILM AND DIGITAL MEDIA INDUSTRY DEVELOPMENT

Dear Chair Luke, Vice-chair Cullen and members of the committee:

I am writing in **STRONG SUPPORT** for leaving the tax credit as it is now, WITH NO CAP, for the film and digital media industry.

We have learned from New Orleans (\$180 mil cap) and Pittsburgh (\$60 mil cap) that when they capped their tax credit, 75% of their film work left their State and went to Atlanta. Atlanta made \$9.2 billion in film revenue last year because they have a high tax credit and NO CAP. They created a Georgia Film Academy and building stages in and around Atlanta. We don't want to be Atlanta. We are happy with the films we have, but Georgia is a good example of how a thriving film industry benefits the State. Their governor is 100% supportive of the film industry there.

Any cap will be devastating for Hawaii's film industry. Hawaii's \$35 mil cap will deter films from coming here. Over the years, we have grown steadily from a \$100 mil annual industry to a \$300 mil industry, and that has generated hundreds of millions of business revenue and over \$100 mil in household income every year. Having the cap will be like forcing our industry into a recession.

Our family of six has been supported by the film industry. My husband works in the industry and it has helped us to put food on the table and send our children to school. My husband and many of his coworkers would need to leave the industry if a film cap happens. He and others would be on Unemployment until we can find work. We would have less opportunities for new workers to enter the industry. It would hurt many of us as well as the economy that we support.

Because of the devastating experiences suffered by cities that implemented caps on their credits, we think any cap, no matter how high, will deter films from coming here. For that reason, we support the recommendation of the EDB Committee to remove the cap completely.

Sincerely,

Allison Seales

Film industry family member

HB-1328-HD-1

Submitted on: 2/26/2018 9:12:54 AM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kaipu Seales	Individual	Support	No

Comments:

Committee on Finance

Tuesday, February 27, 2018

11am, Conference Room 308

RE: HB1328, HD1 RELATING TO FILM AND DIGITAL MEDIA INDUSTRY DEVELOPMENT

Dear Chair Luke, Vice-chair Cullen and members of the committee:

I am writing in **STRONG SUPPORT** for leaving the tax credit as it is now, WITH NO CAP, for the film and digital media industry.

Any cap will be devastating for Hawaii's film industry. Hawaii's \$35 mil cap will deter films from coming here. Over the years, we have grown steadily from a \$100 mil annual industry to a \$300 mil industry, and that has generated hundreds of millions of business revenue and over \$100 mil in household income every year. Having the cap will be like forcing our industry into a recession.

We have learned from New Orleans (\$180 mil cap) and Pittsburgh (\$60 mil cap) that when they capped their tax credit, 75% of their film work left their State and went to Atlanta. Atlanta made \$9.2 billion in film revenue last year because they have a high tax credit and NO CAP. They created a Georgia Film Academy and building stages in and around Atlanta. We don't want to be Atlanta. We are happy with the films we have, but Georgia is a good example of how a thriving film industry benefits the State. Their governor is 100% supportive of the film industry there. I work hard to support our family of six by working for the film industry. This industry has meant so much to our family as it has helped us to get of government assistance and to help my children envision a much better life for ourselves. We moved from Molokai to O'ahu in order for me to work for this industry so that I could support the family. Working for films and digital media has helped me to put food on our table and send our children to school. I would need to leave the industry that I have trained so long to be in if a film cap happens. I

know that I would be on Unemployment until I could find other work. The cap would definitely hurt many families here.

Because of the devastating experiences suffered by cities that implemented caps on their credits, we think any cap, no matter how high, will deter films from coming here. For that reason, we support the recommendation of the EDB Committee to remove the cap completely.

Sincerely,

Kaipu Seales

Member of IATSE 665

HB-1328-HD-1

Submitted on: 2/26/2018 9:31:52 AM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
alex sirois	Individual	Support	No

Comments:

I know that in cases where other states (New Orleans for example) capped the tax credit millions of dollars were lost because productions started traveling elsewhere (Georgia) to shoot. This is not something that Hawaii is immune to. This will happen and our economy will suffer if we don't remove the cap. There are thousands of people that rely on this work to make a living and we will greatly suffer if this cap is in place.

HB-1328-HD-1

Submitted on: 2/26/2018 9:46:54 AM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Diane Frauenholz	Individual	Support	No

Comments:

I have been working as a Script Supervisor on Oahu for 13 years. When I first came to Oahu I had a few ideas about what career path I would take, but nothing really inspired me. Long story VERY short, I took a job in the production office set up in Turtle Bay for the show Rocky Point, then found an interest in Script Supervising. I went to Los Angeles for specialized training, then returned to Oahu, where I began working as a Script Supervisor, joining IATSE local 665. Highlights have been doing commercials on several islands, working three years on Lost, and now I am about to complete my eighth year on Hawaii Five-0. I feel SO blessed that I have found this career in this place that is our home. My co-workers are more than that, they are FAMILY. Hearing their stories and seeing how their skills and knowledge get passed down generation to generation is SO inspiring. Furthermore, many co-workers took GREAT financial risks and started businesses supplying the film industry here. I do not have a college degree, and that is true of some of my co-workers as well. We are tradespersons, and proud of it. But make NO mistake, we are all HIGHLY trained, skilled and dedicated workers. There is NO WAY that some of the most successful television shows EVER could have become what they did without HAWAIIAN locations and HAWAIIAN CREW. Please KNOW that if it is cheaper to create pseudo-Hawaii conditions elsewhere, production companies will find a way to do so, thereby taking all the jobs and money spent IN the community AWAY from Hawaii. We are unique here, I hear that time and time again from production workers who come here from the mainland, and other countries. We have watched the exodus of production from Los Angeles, and SO many other places due to legislatures failing to support healthy tax credits. The numbers CANNOT be argued...when production thrives, the community BENEFITS!! For myself, and for my film FAMILY, I STRONGLY urge you to NOT cap the film tax credit. If you do, you are HURTING me, and Hawaii families. A thriving economy does NOT just benefit the wage earner. You KNOW that a good and confident wage earner can then spend a little more money supporting a store owned by a local family, rather than some big horrid, cheap chain store! This is just common sense. Do NOT let the idea of a cap tempt you into forcing production companies into "creating" Hawaii conditions in another state. KEEP THE WORK HERE, WHERE IT BELONGS. For a long time now, there has been talk about building a second film studio, in the Kapolei area. If we cap the tax credits and productions go elsewhere that dream DIES, taking hundreds of jobs with it. How VERY sad to squelch the growth of our industry into an area of this island that is so greatly in need of jobs. And, less production would likely put an end to the supply businesses I mentioned above. The media programs in Hawaii schools are growing FAST. Let's give

the young creatives of Hawaii a reason to STAY here, CREATE here and THRIVE here.
DO NOT CAP HAWAII'S FILM INDUSTRY TAX CREDIT.

Thank you so much for your time and consideration,

Diane Frauenholz, Script Supervisor, Hawaii Five-0

HB-1328-HD-1

Submitted on: 2/26/2018 10:09:20 AM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Becky Maltby	Individual	Support	No

Comments:

A member of SAG-AFTRA since 1987, I have been fortunate to work for many years in the industry I love and enjoy, thanks to hit television shows and blockbuster movies filming in Hawaii. I have watched the industry grow and boom in our state because of this tax credit. In order for us to continue to compete nationwide with locations who, through technology, can double for anywhere we need this credit to continue indefinitely, and increased. Our film crews and many actors are ready and trained and well liked across the industry. We depend on it for our livelihood.

Please lift the cap on our tax credit bill for the film industry. And please consider raising it in order to compete with locations such as Atlanta, Louisiana, Puerto Rico, etc. Mahalo.

HB-1328-HD-1

Submitted on: 2/26/2018 10:27:12 AM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Scott Wallace	Individual	Support	No

Comments:

I feel that the present tax credit cap is hurting the state of Hawaii and it's workers as we are losing motion pictures and different film formats to other states and countries because they offer better incentives.

Scott Wallace

HB-1328-HD-1

Submitted on: 2/26/2018 10:29:44 AM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Mark Stitham	Individual	Support	No

Comments:

Please support this bill. Film is a "clean" industry and the publicity for Hawaii is a priceless side-benefit. Thank you

Committee on Finance
Tuesday, February 27, 2018
11am, Conference Room 308

RE: HB1328, HD1 RELATING TO FILM AND DIGITAL MEDIA INDUSTRY
DEVELOPMENT

Dear Chair Luke, Vice-chair Cullen and members of the committee:

Aloha, my name is Harry Ladera and I am the president of HT Project Inc. here in Honolulu. I am a producer who works with international film crews, mainly catering to the Japanese market. I have been in this business for more than 30 years.

I have seen over the years that the Hawaii film industry has grown and has created a global arena for filmmakers around the world. It has produced variety of local films, national mega block busters like Jurassic Park and also opened the international film makers to come to Hawaii and shoot.

In my years of working on various types of film projects, I have seen an increase in International movies wanting to shoot here in Hawaii with the knowledge of the tax program that Hawaii offers.

As the Hawaii film industry grew, I've seen the professionalism of the local crew reach to higher level and I've witnessed the amount of money that brings into the economy has very much benefitted our state over years. Not only speaking the actual money spent but the also the out of state visitors money that was spent due to Hawaii promotions in the films shot here.

The amount of money our filmmakers brings to our state is big money and at the same time it is very attractive to producer like me to spend money here for the film projects knowing that the tax credit exists. Money that we spend for food, hotels, locations, travels and crews can be very substantial that adds to our Hawaii economy.

In my opinion as a producer, our film industry is healthier and growing mainly due to the tax credit program Hawaii offers to the film industry. Not only the people working directly in the film industry benefits but all the outside business's from people renting, locations, restaurants, hotel workers and etc.

Please keep this ball rolling for thousand's of local people working in the industry and I feel it is another way of advertising our state as the top vacation destination since we rely heavily on tourism.

Please keep the tax credit in place and not have a limit cap of \$35 million per year.

Thank you,



Harry Ladera
President
HT Project. Inc.

HB-1328-HD-1

Submitted on: 2/26/2018 10:38:47 AM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Thomas Penny	Individual	Support	No

Comments:

I fully support the removal or the raising of the cap on tax credits for the film industry. I and my family have benefited from the work I have had in this industry over the past 15 years. I would not have been able to afford sending my children to college without this work. The industry brings millions of dollars into the State of Hawaii. This type of spending, not only from the productions themselves, but from the wages local workers earn produce a considerable amount of tax revenue. Capping the tax credits offered by the State will potentially cause Production companies to look elsewhere for their locations, and their spending.

HB-1328-HD-1

Submitted on: 2/26/2018 10:45:11 AM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Jon Mumper	Individual	Support	No

Comments:

HB-1328-HD-1

Submitted on: 2/26/2018 10:47:41 AM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Erin Mast	Individual	Support	No

Comments:

"Committee on Finance

Tuesday, February 27, 2018

11am, Conference Room 308

RE: HB1328, HD1 RELATING TO FILM AND DIGITAL MEDIA INDUSTRY DEVELOPMENT

Dear Chair Luke, Vice-chair Cullen and members of the committee:

I am a Script Supervisor & a member of our local 665 union. I have worked in Hawaii in the entertainment industry since 2001. I ask that you please remove the \$35 million tax credit cap - as it will deter future projects from coming to the Islands. It is essential that Hawaii stays current in the competitive market of film making. We have some of the best people working in the industry & we have the infrastructure to continue to support big budget productions. The current tax credit cap is outdated and ultimately, productions will choose (and have chosen) to go to other locations based solely on their financial incentives. This will be a huge loss to our state's economy & a giant setback for all of the individual crafts people who have continued to grow their skills & stay current with the very best film makers in the world. Please support the recommendation of the EDB Committee to remove the cap completely.

If the Finance Committee feels that the tax credit must have a cap, then please support changing the start date to 2020 so that we can prepare our industry for this setback.

With Gratitude,

Erin Mast

Script Supervisor

Local 665 member

(808) 391-3746

HB-1328-HD-1

Submitted on: 2/26/2018 10:53:07 AM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Raygan Woolsey	Individual	Support	No

Comments:

Finance Committee:

Please leave the tax credit as it is now, WITH NO CAP. If you must, consider postponing the effective date to 2020.

HB-1328-HD-1

Submitted on: 2/26/2018 10:59:52 AM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Tomoko Staggs	Individual	Support	No

Comments:

Committee on Finance

Tuesday, February 27, 2018

11am, Conference Room 308

RE: HB1328, HD1 RELATING TO FILM AND DIGITAL MEDIA INDUSTRY DEVELOPMENT

Dear Chair Luke, Vice-chair Cullen and members of the committee:

My name is Tomoko Staggs from HT Project, Inc. We are production company based in Honolulu, Hawaii and I support HB1328 HD1.

I have been working with film crew mainly from Japan over 20 years and I have seen an increase of projects, especially movies since State of Hawaii started Tax program. Some of international movie projects have very limited buget and Tax program that Hawaii offers helps many of international producers to come to Hawaii for their project which directly create jobs to local people and also free advertisement of Hawaii to people around the world which will help our tourisum in the end which includes hotel, resturants, retail stores and more.

Please keep this promgar without limit cap of \$35 million per year, so thousands of local people can benefit from film industry.

Mahalo,

Tomoko Staggs

Vice President

HT Project, Inc.

HB-1328-HD-1

Submitted on: 2/26/2018 11:00:05 AM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
George Russell	Individual	Support	No

Comments:

Committee on Finance

Tuesday, February 27, 2018

11am, Conference Room 308

RE: HB1328, HD1 RELATING TO FILM AND DIGITAL MEDIA INDUSTRY DEVELOPMENT

Dear Chair Luke, Vice-chair Cullen and members of the committee:

Aloha,

I am a local independent filmmaker and producer of a start-up production company called Gen4Films, LLC. I have had the pleasure of being employed, along with many other skilled local film and video crews, in the local filmmaking community over the last 30+ years.

I am in full support of HB1328 measure to extend the sunset date to the year 2020.

This extension will positively affect our unique place in the Pacific filming region. I have seen first hand of how precarious it can be for our burgeoning film economy suffer if there are even the slightest measures to our important tax credit. It is so easy for a potential company to find another tropical locale with even better tax credits to shoot in a similar region in the Pacific and thus bring their millions elsewhere.

Being a local independently financed filmmaker here, while employing our world recognized professional local crews, it is so important that we also have access to the benefits and support of the local government to produce unique local stories aimed at global distribution; a luxury that other indigenous filmmakers enjoy in similar cultures such as in New Zealand and Australia.

Mahalo for your consideration.

Sincerely,

George Y. Russell

Producer

Gen4Films

+1-808-223-4013

www.Gen4Films.com

Committee On Finance
Tuesday February 27, 2018
11AM Conference Room 308

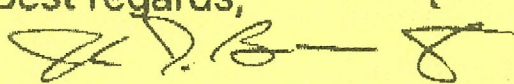
RE: HB1328, HD1 RELATING TO FILM AND DIGITAL MEDIA INDUSTRY
DEVELOPMENT

Dear Chair Luke, Vice-chair Cullen and Members of the Committee:

I John Bannister, a member of local 996 Union and currently employed with the transportation department for Eye Productions ask to please leave the tax credit as it is now, with no cap. I believe by removing the cap, it will bring more revenue and business to our state by attracting more filming and job opportunities here in Hawaii. I have benefitted from this industry by being able to support my family and send 2 of my 3 children through college.

I greatly appreciate your time, hard work, and concern to this matter.

Best regards,



John Bannister

LATE

HB-1328-HD-1

Submitted on: 2/26/2018 2:50:41 PM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Keola T. Keahiolalo	Individual	Support	No

Comments:

Committee on Finance

Tuesday, February 27, 2018

11am, Conference Room 308

RE: HB1328, HD1 RELATING TO FILM AND DIGITAL MEDIA INDUSTRY DEVELOPMENT

Aloha, Chair Luke, Vice-chair Cullen and members of the committee:

I am a firefighter on the island of Kauai. In 2017, I was lucky enough to be hired as a medic on a small show that was filming here for a few days. This month, I was hired part-time on a large feature film shooting on Kauai, and the additional funds have really helped me provide for my two young daughters and stay on track with support I give to their mother. This is the biggest film I've been a part of, and this company is buying up construction material so fast that the local lumber yard ran out of lumber. The company now has a person milling wood from fallen trees to keep up with the demand for material. They are spending money here hand over fist, and Kauai really needs this kind of economic boost.

I would like the opportunity to work on films more often, but I understand that work might slow down due to the change in the tax credit. Please try to focus on the much bigger picture - the advantage to the economy and the community. I support HB1328, HD 1 as it is written. Please remove the cap from the credit or work with us to find a better solution. Mahalo.

LATE

HB-1328-HD-1

Submitted on: 2/26/2018 3:13:24 PM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Jon T. Dahl	Teamsters Local 996	Support	No

Comments:

Committee on Finance

Tuesday, February 27, 2018

11am, Conference Room 308

RE: HB1328, HD1 RELATING TO FILM AND DIGITAL MEDIA INDUSTRY DEVELOPMENT

Aloha, Chair Luke, Vice-chair Cullen and members of the committee:

I started in the film business over 20 years ago as a driver. In those days, film companies would ship their trucks and equipment into the State, and their drivers would come with them. If it had a CA license plate, a CA driver was needed to drive it.

Today, I am a Transportation Captain on features and TV shows. I own two equipment and truck rental companies. I have invested **hundreds of thousands of dollars** of my own money into buying Honeywagons, cast trailers, 4x4 stakebed trucks, box trucks, etc. I have invested in close to **a million dollars** just to purchase the land we park the trucks on. These trucks are all driven by Hawaii drivers - every single one of them. Film companies are very concerned about the cost of shipping equipment to Hawaii, so they are very relieved to learn that we have this equipment here in the islands. Having the inventory here really helps with their budget, but the real reason they come here is because of the film tax credit.

My investment in the equipment secures jobs for Hawaii workers. It has allowed me to purchase a home for me, my wife and our twin children. Both of our children go to a private school and are being raised in a good environment. They are learning how to be good citizens, and you can't put a price tag on that.

If the \$35 million cap keeps films from coming here, I stand to lose everything! These trucks are specialized trucks used only for films. I wouldn't be able to repurpose them for other industries. They will sit idle, and I will need to close at least one of my companies.

I urge the committee to leave the tax credit the way it is - with no cap. It is doing what it was designed to do and has consistently brought jobs here and allowed many of us to thrive in our industry. If there is a budgetary shortfall, let's find solutions to fix that without crippling a healthy film industry.

Thank you,

Jon T. Dahl

LATE

HB-1328-HD-1

Submitted on: 2/26/2018 3:23:17 PM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kalei Santos	Teamsters Local 996	Support	No

Comments:

Committee on Finance

Tuesday, February 27, 2018

11am, Conference Room 308

RE: HB1328, HD1 RELATING TO FILM AND DIGITAL MEDIA INDUSTRY DEVELOPMENT

Dear Chair Luke, Vice-Chair Cullen and members of the committee:

Working as a driver in the film industry, I have been able to purchase a home as well as start a side business as a truck hauler. A few years after I purchased my first truck, I bought a newer truck that could haul more. These purchases give me more disposable income that I can put back into the economy through fuel, registration, repairs, tires, insurance, and hiring additional drivers.

I support HB1328 and the film industry. I like the way the tax credit is working now, but if we need to change it, we need to work together. This isn't about the State versus the workers. It's about finding workable solutions that help the State and help the community.

Mahalo for your time,

Kalei Santos

LATE

HB-1328-HD-1

Submitted on: 2/26/2018 4:03:50 PM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Shanna Norton	IATSE 665	Support	No

Comments:

Committee on Finance

Tuesday, February 27, 2018

11am, Conference Room 308

RE: HB1328, HD1 RELATING TO FILM AND DIGITAL MEDIA INDUSTRY DEVELOPMENT

Aloha Chair Luke, Vice-chair Cullen and members of the committee:

I have worked in various departments on various shows. This is such a dynamic and broad industry that it helps to foster creativity and innovation. Having the cap will stifle this industry and, therefore, I am opposed to it. We have a small committee in our union that is trying to study other cities that have a cap and what alternatives they are looking at. We need more time to survey our members and the industry and come up with recommendations for you to consider.

Mahalo!

LATE

HB-1328-HD-1

Submitted on: 2/26/2018 6:35:13 PM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Arlene Hanks	Individual	Support	No

Comments:

Please Remove the Cap or extend the Effective date to 2020.

LATE

HB-1328-HD-1

Submitted on: 2/26/2018 7:46:15 PM

Testimony for FIN on 2/27/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Sione Manu	Individual	Support	No

Comments:

The film industry has helped me provide for my family in a time of severe struggle. I would like for things to remain the same so work will not slow down. As a member of the working class, I support.

HB-1328-HD-1

Submitted on: 2/27/2018 7:52:19 AM

Testimony for FIN on 2/27/2018 11:00:00 AM

LATE

Submitted By	Organization	Testifier Position	Present at Hearing
Justin Finestone	Hawaii County Film Office	Support	No

Comments:

Dear Chair Sylvia Luke, Vice-Chair Ty T.J. Cullen and Members:

RE: HB1328 HD1: Relating to Film and Digital Media Industry

The Hawai'i Island Film Office, County of Hawai'i Department of Research and Development is in support of HB1328 HD1. The Hawai'i Island Film Office and the island's industry businesses and partners appreciate the 2017 the Legislature's support of the extension of the Film Tax Credit and request that this bill to be reported out of the Committee.

We are also pleased to provide you a brief update of the positive impact the extension of the tax credit has had on the production industry on the island. Because of the credit, Hawai'i County hosted a variety of productions this past year and has seen an increase in location scouting on the island for future projects. These are only a few examples of the positive impact Hawai'i County businesses have seen as a result of the tax credit, and most of all, the tax credit communicates that the State of Hawaii and the counties of Kauai, Hawai'i and Maui do indeed support the film industry and recognize the related economic, workforce, tourism and education benefits to the islands.

Mahalo for your consideration.

Justin Finestone

Hawai'i County Film Commissioner
County of Hawai'i Department of Research & Development

The Twenty-Ninth Legislature
Regular Session of 2018

LATE

HOUSE OF REPRESENTATIVES
Committee on Finance
Rep. Sylvia Luke, Chair
Rep. Ty J.K. Cullen, Vice Chair
State Capitol, Conference Room 308
Tuesday, February 27, 2018; 11:00 a.m.

**STATEMENT OF THE ILWU LOCAL 142 ON H.B. 1328, HD1
RELATING TO FILM AND DIGITAL MEDIA INDUSTRY DEVELOPMENT**

The ILWU Local 142 supports H.B. 1328 HD1, which amends the annual aggregate cap placed on the amount of the motion picture, digital media, and film production income tax credit that may be claimed by qualified productions and allows greater flexibility in conditions placed on eligibility requirements for the motion picture, digital media, and film production income tax credit.

We share the legislature's belief that the film industry in Hawaii is an important component of a diversified economy and acknowledge that the motion picture, digital media, and film production income tax credit has been effective in attracting major motion pictures and popular television shows to Hawaii thereby providing good jobs in a clean industry. Moreover, with major blockbuster hits like Jumanji: Welcome to the Jungle, Kong: Skull Island, and Jurassic World: Fallen Kingdom, Hawai'i has been promoted around the world.

As such, the ILWU urges passage of H.B. 1328 HD1. Thank you for the opportunity to share our views on this matter.