

Honolulu, Hawaii

FEB 14 , 2020

RE: H.B. No. 2075
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Economic Development & Business, to which was referred H.B. No. 2075 entitled:

"A BILL FOR AN ACT RELATING TO FILM TAX CREDIT,"

begs leave to report as follows:

The purpose of this measure is to increase the annual cap on the motion picture, digital media, and film production income tax credit.

Your Committee received comments on this measure from the Department of Taxation; Department of Business, Economic Development, and Tourism; University of Hawaii System; Tax Foundation of Hawaii; and Island Film Group.

Your Committee finds that the film industry in the State continues to be an important component of a diversified economy. The motion picture, digital media, and film production income tax credit has been effective in stimulating the economy and creating quality jobs while promoting Hawaii as a visitor destination, and its success is important enough to warrant an increase on the annual cap on the tax credit to further this prosperity and the goal of making Hawaii the "Hollywood of the Pacific".




Your Committee has amended this measure by:

- (1) Changing the annual cap amount for the motion picture, digital media, and film production income tax credit to an unspecified amount;
- (2) Changing its effective date to July 1, 2112; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee further finds that the film industry is a multibillion dollar success in the States of New Mexico and Georgia, where tax credits have been expanded, and should be supported as such. Should your Committee on Finance decide to hear this measure, your Committee respectfully requests that it consider amending the annual cap amount for the motion picture, digital media, and film production income tax credit to \$1,000,000,000.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2075, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2075, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development & Business,



ANGUS L.K. MCKELVEY, Chair



