

STAND. COM. REP. NO.

2066

Honolulu, Hawaii

APR 04

, 2019

RE: S.B. No. 365
S.D. 2
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 365, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ECONOMIC DEVELOPMENT,"

begs leave to report as follows:

The purpose of this measure is to amend the Motion Picture, Digital Media, and Film Production Income Tax Credit by:

- (1) Changing the cap on total tax credits claimed per qualified production from \$15,000,000 to an unspecified amount;
- (2) Changing the cap on the aggregate amount of tax credits allowed in any particular year from \$35,000,000 to an unspecified amount;
- (3) Expanding the claimable post-production costs to include actual costs plus an unspecified percentage of costs incurred at qualified post-production facilities; and
- (4) Extending the repeal date of the tax credit to an unspecified date.



Hawaii Media Inc., Ho'omanapono Political Action Committee, O'ahu County Democrats Committee on Legislative Priorities, and a few individuals submitted testimony in support of this measure. The Department of Business, Economic Development, and Tourism; Department of Taxation; Honolulu Film Office; Kauai Film Commission; Screen Actors Guild-American Federation of Television and Radio Artists Hawaii Local; Iron Workers Stabilization Fund; Motion Picture Association of America, Inc.; NBCUniversal; Hawaii Teamsters and Allied Workers, Local 996; Production Partners, Inc.; International Alliance of Theatrical Stage Employees Local 665; Island Film Group; and many individuals submitted comments on this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 365, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



SYLVIA LUKE, Chair



