
A BILL FOR AN ACT

RELATING TO MOTION PICTURE, DIGITAL MEDIA, AND FILM PRODUCTION.

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

1 SECTION 1. Section 235-17, Hawaii Revised Statutes, is
2 amended as follows:

3 1. By amending subsection (d) to read:

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

5 (1) Meet the definition of a qualified production
6 specified in subsection (m);

7 (2) Have qualified production costs totaling at least
8 \$200,000;

9 (3) Provide the State a qualified Hawaii promotion, which
10 shall be at a minimum, a shared-card, end-title screen
11 credit, where applicable;

12 (4) Provide evidence of reasonable efforts to hire local
13 talent and crew;

14 (5) Provide evidence when making any claim for products or
15 services acquired or rendered outside of this State
16 that reasonable efforts were unsuccessful to secure



1 and use comparable products or services within this
2 State;

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

9 (7) Not hire or monetarily compensate any:

10 (A) Employee of the State of Hawaii film office,

11 (B) Employee of a county film commission, or

12 (C) Company of which an employee of the State of

13 Hawaii film office or a county film commission is
14 a stakeholder,

15 for services for the production, including but not

16 limited to services related to consulting, producing,

17 or performing."

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

19 "(h) Every taxpayer claiming a tax credit under this

20 section for a qualified production shall, no later than ninety

21 days following the end of each taxable year in which qualified



1 production costs were expended, submit a written, sworn
2 statement to the department of business, economic development,
3 and tourism, together with a verification review by a qualified
4 certified public accountant using procedures prescribed by the
5 department of business, economic development, and tourism,
6 identifying:

7 (1) All qualified production costs as provided by
8 subsection (a), if any, incurred in the previous
9 taxable year;

10 (2) The amount of tax credits claimed pursuant to this
11 section, if any, in the previous taxable year; [~~and~~]

12 (3) The number of total hires versus the number of local
13 hires by category and by county[-]; and

14 (4) If applicable, any:

15 (A) Employee of the State of Hawaii film office,

16 (B) Employee of a county film commission, or

17 (C) Company of which an employee of the State of

18 Hawaii film office or a county film commission is

19 a stakeholder,

20 who was hired or monetarily compensated for services

21 for the qualified production, including but not



1 limited to services related to consulting, producing,
2 or performing.

3 This information may be reported from the department of
4 business, economic development, and tourism to the legislature
5 in redacted form pursuant to subsection (i)(4)."

6 SECTION 2. Statutory material to be repealed is bracketed
7 and stricken. New statutory material is underscored.

8 SECTION 3. This Act shall take effect upon its approval.



Report Title:

Motion Picture, Digital Media, and Film Production Tax Credit;
State or County Employee; Qualified Production

Description:

Prohibits a production from qualifying for the motion picture, digital media, and film production tax credit if the production hires or monetarily compensates an employee of the State of Hawaii film office, employee of a county film commission, or company of which an employee of the State of Hawaii film office or a county film commission is a stakeholder. Requires a taxpayer claiming the tax credit to identify any such employee or company in its statement to the Department of Business, Economic Development, and Tourism. (SD1)

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