

STAND. COM. REP. NO. 1191 -22

Honolulu, Hawaii

, 2022

MAR 22

RE: S.B. No. 2167
S.D. 2
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Economic Development, to which was referred
S.B. No. 2167, S.D. 2, entitled:

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

begs leave to report as follows:

The purpose of this measure is to:

- (1) Establish the motion picture, digital media, and film
infrastructure tax credit; and
- (2) Appropriate funds for staff to manage the motion
picture, digital media, and film infrastructure tax
credit.

Your Committee received testimony in support of this measure
from the Department of Business, Economic Development, and
Tourism; University of Hawai'i System; and Island Film Group. Your
Committee received testimony in opposition to this measure from
the Department of Taxation. Your Committee received comments on
this measure from the Department of Budget and Finance, Tax
Foundation of Hawaii, and one individual.

2022-2254 SB2167 HD1 HSCR HMSO



Your Committee finds that the State's successful diversification of the economy through the film production industry is currently constrained by the severe lack of physical infrastructure. Your Committee further finds that the Hawaii Film Studio is the only stage complex in the entire State, which can only accommodate one television production at a time and is not fit for any large films. This measure is intended to incentivize the establishment of necessary film related infrastructure to attract more productions to the State, thereby generating more revenue and creating more jobs for residents.

Your Committee has amended this measure by:

- (1) Changing the amount of the tax credit to an unspecified percentage of the eligible infrastructure costs made by a taxpayer;
- (2) Changing the following to unspecified amounts:
 - (A) The total amount of tax credits allowed in any year; and
 - (B) The minimum amount of eligible infrastructure costs a film infrastructure project must have to qualify for the tax credit;
- (3) Changing the effective date to October 18, 2050, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2167, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2167, S.D. 2, H.D. 1, and be referred to your Committee on Finance.



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



SEAN QUINLAN, Chair



