

# SENATE FLOOR AMENDMENT

FLOOR AMENDMENT NO. 4 Date APR 11 2023

TO: House Bill No. 1373, H.D. 2, S.D. 1

SECTION 1. House Bill No. 1373, H.D. 2, S.D. 1, is amended by making a technical amendment to page 1, lines 1 through 7, to read as follows:

"SECTION 1. The legislature finds that the Hawaii film and television industry has continued to grow over the past twenty years due to state tax incentives and the resulting increase in the number of feature films, television series, and commercial productions filming in Hawaii, which has directly contributed to the increase in the number of trained local crew members as well as service and equipment vendors."

SECTION 2. House Bill No. 1373, H.D. 2, S.D. 1, is amended by amending page 3, lines 15 through 20 to read as follows:

"(b) Beginning January 1, 2024, each eligible employer shall receive a rebate equal to fifty per cent of all Hawaii W-2 wages paid for the filming of film, television, commercial, and print projects, which shall be capped at \$50,000 per employee, per project; provided that no eligible employer shall receive more than \$1,000,000 in total rebates."

SECTION 3. House Bill No. 1373, H.D. 2, S.D. 1, is amended by making a technical amendment to page 5, line 12, to read as follows:

"In the case of a partnership, S corporation, estate, or trust,"

SECTION 4. House Bill No. 1373, H.D. 2, S.D. 1, is amended by amending page 6, lines 8 through 10 to read as follows:

"(b) The amount of the credit shall be twenty-five per cent of film studio costs incurred during the taxable year for each film studio located in the State."

SECTION 5. House Bill No. 1373, H.D. 2, S.D. 1, is amended by making a technical amendment to page 7, line 20, to read as follows:

"economic development, and tourism, together with a third-party"





SECTION 9. House Bill No. 1373, H.D. 2, S.D. 1, is amended by making a technical amendment to page 11, line 10, to read as follows:

"standard thirty-thousand-foot production stage;"

SECTION 10. House Bill No. 1373, H.D. 2, S.D. 1, is amended by amending page 15, line 15, through page 16, line 18, to read as follows:

- "(1) With respect to productions not within a designated enhanced film production zone:
- (A) Twenty per cent of the approved company's:
    - (i) Qualifying non-resident payroll expenditures for employees who are not resident taxpayers, not to exceed \$1,000,000 in payroll expenditures per person; and
    - (ii) Qualifying production expenditures; or
  - (B) Twenty-five per cent of the approved company's:
    - (i) Qualifying resident payroll expenditures, not to exceed \$1,000,000 in payroll expenditures per person; and
    - (ii) Qualifying production expenditures; or
- (2) With respect to productions within a designated enhanced film production zone:
- (A) Twenty per cent of the approved company's:
    - (i) Qualifying non-resident payroll expenditures for employees who are not resident taxpayers, not to exceed \$1,000,000 in payroll expenditures per person; and
    - (ii) Qualifying production expenditures; or
  - (B) Thirty per cent of the approved company's:
    - (i) Qualifying resident payroll expenditures for employees who are Hawaii resident taxpayers, not to exceed \$1,000,000 in payroll expenditures per person; and
    - (ii) Qualifying production expenditures."

SECTION 11. House Bill No. 1373, H.D. 2, S.D. 1, is amended by making a technical amendment to page 17, lines 16 through 17, to read as follows:

"production zones as of the date of the Hawaii film office's approval of the project. Once an approved company"

SECTION 12. House Bill No. 1373, H.D. 2, S.D. 1, is amended by making a technical amendment to page 19, line 20, to read as follows:

"list of names, position titles, and state resident"



SECTION 13. House Bill No. 1373, H.D. 2, S.D. 1, is amended by making a technical amendment to page 20, line 8, to read as follows:

"shall provide a list of names, position titles, and"

SECTION 14. House Bill No. 1373, H.D. 2, S.D. 1, is amended by making technical amendments to page 24, lines 1 through 4, to read as follows:

"(6) Provide the legislature with an annual rolling six-year forecast that details future productions; proposed schedule; and corresponding infrastructure, workforce, goods, and service needs."

SECTION 15. House Bill No. 1373, H.D. 2, S.D. 1, is amended by making a technical amendment to page 25, line 6, to read as follows:

"January 1, 2024, exceeds the aggregate amount of credits allowed"

SECTION 16. House Bill No. 1373, H.D. 2, S.D. 1, is amended by making a technical amendment to page 28, line 16, to read as follows:

"shall not be considered to be a vendor based in the"

SECTION 17. House Bill No. 1373, H.D. 2, S.D. 1, is amended by amending page 32, line 3, to read as follows:

"(1) For wages subject to Hawaii income tax"

SECTION 18. House Bill No. 1373, H.D. 2, S.D. 1, is amended by adding a new section at page 35, line 20, to read as follows:

"SECTION 6. There is appropriated out of the general revenues of the State of Hawaii the sum of \$80,184 or so much thereof as may be necessary for fiscal year 2023-2024 and the same sum or so much thereof as may be necessary for fiscal year 2024-2025 for the establishment of one full-time equivalent (1.0 FTE) program specialist VI position, which shall be exempt from chapter 76, Hawaii Revised Statutes, to manage the infrastructure and workforce development incentive rebate programs and the listing, audit, and reporting requirements of section 235-17, Hawaii Revised Statutes.

The sums appropriated shall be expended by the department of business, economic development, and tourism for the purposes of this Act."

SECTION 19. House Bill No. 1373, H.D. 2, S.D. 1, is amended by renumbering section 6 as section 7.



SECTION 20. House Bill No. 1373, H.D. 2, S.D. 1, is amended by adding a new section at page 36, line 5, to read as follows:

"SECTION 8. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored."

SECTION 21. House Bill No. 1373, H.D. 2, S.D. 1, is amended by renumbering section 7 as section 9 and amending section 9 to read as follows:

"SECTION 9. This Act shall take effect on January 1, 2024; provided that:

- (1) Section 2 of this Act shall apply to qualifying wages paid on or after July 1, 2023, and before July 1, 2024;
- (2) Section 3 of this Act shall apply to film studio costs incurred after December 31, 2023, and before January 1, 2033;
- (3) Section 5 of this Act shall apply to qualifying production expenditures incurred after December 31, 2023; provided further that the amendments to section 235-17(n), Hawaii Revised Statutes, by section 5 of this Act shall take effect on July 1, 2023;
- (4) The amendments made to section 235-17, Hawaii Revised Statutes, by section 5 of this Act shall not be repealed when that section is reenacted on January 1, 2033, pursuant to section 4 of Act 88, Session Laws of Hawaii 2006, as amended by Act 89, Session Laws of Hawaii 2013, as amended by Act 143, Session Laws of Hawaii 2017, as amended by Act 217, Session Laws of Hawaii 2022; and
- (5) Section 6 of this Act shall take effect on July 1, 2023."

Offered by:

*Lyn DeLoite*

Carried

Failed to Carry

Withdrawn