

STAND. COM. REP. NO.

463

Honolulu, Hawaii

, 2023

FEB 15

RE: H.B. No. 932
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Economic Development, to which was referred H.B. No. 932 entitled:

"A BILL FOR AN ACT RELATING TO THE MOTION PICTURE, DIGITAL MEDIA, AND FILM PRODUCTION INCOME TAX CREDIT,"

begs leave to report as follows:

The purpose of this measure is to change the total amount of motion picture, digital media, and film production income tax credits allowed per year from \$50,000,000 to an unspecified amount.

Your Committee received testimony in support of this measure from the Island Film Group, Hawaii Teamsters Local 996, and one individual. Your Committee received testimony in opposition to this measure from NuWayve Unlimited and one individual. Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism; Department of Taxation; University of Hawai'i System; Honolulu Film Office of the City and County of Honolulu; Tax Foundation of Hawaii; and IATSE Local 665.

Your Committee finds that the motion picture, digital media, and film production income tax credit is a critical tool to keep Hawaii competitive on a global scale. From 2006, when the tax credit was established, to 2019, Hawaii's film industry has

2023-1596 HB932 HD1 HSCR HMSO

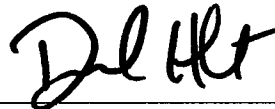


quadrupled in size. However, an aggregate cap of \$35,000,000 was established for the income tax credit in 2017 and increased to \$50,000,000 in 2019. This cap creates a ceiling that hinders job growth and infrastructure development. Your Committee believes that increasing the aggregate cap on the income tax credit will continue to attract productions to the State, accelerate job opportunities for residents to succeed in careers in the creative sector, and give opportunities for local small businesses to thrive.

Your Committee has amended this measure by changing its effective date to June 30, 3000, to encourage further discussion.

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 H.B. No. 932, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 932, H.D. 1, and be referred to your Committee on Finance.

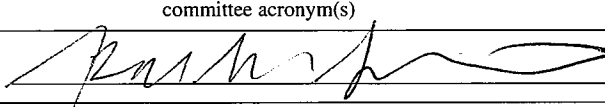
Respectfully submitted on
behalf of the members of the
Committee on Economic
Development,



DANIEL HOLT, Chair



Record of Votes of the Committee on Economic Development

Bill/Resolution No.: HB932	Committee Referral: ECD, FIN	Date: 2/10/2023		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
ECD Members	Ayes	Ayes (WR)	Nays	Excused
1. HOLT, Daniel (C)	/			
2. LAMOSAO, Rachele F. (VC)	/			
3. HUSSEY-BURDICK, Natalia	/			
4. KONG, Sam Satoru	/			
5. NAKAMURA, Nadine K.	/			
6. QUINLAN, Sean				/
7. PIERICK, Elijah	/			
TOTAL (7)	6	0	0	1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. _____ committee acronym(s)				
Vice Chair's or designee's signature: 				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				