

DAVID Y. IGE
GOVERNOR

SHAN TSUTSUI
LT. GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809
PHONE NO: (808) 587-1540
FAX NO: (808) 587-1560

MARIA E. ZIELINSKI
DIRECTOR OF TAXATION

DAMIEN A. ELEFANTE
DEPUTY DIRECTOR

To: The Honorable Jill N. Tokuda, Chair
and Members of the Senate Committee on Ways and Means Committee

The Honorable Gilbert S.C. Keith-Agaran
and Members of the Senate Committee on Judiciary and Labor

Date: Thursday, March 30, 2017
Time: 9:50 A.M.
Place: Conference Room 211, State Capitol

From: Maria E. Zielinski, Director
Department of Taxation

Re: H.B. 423, H.D. 2, S.D. 1, Relating to the Motion Picture, Digital Media,
and Film Production Income Tax Credit

The Department of Taxation (Department) defers to the Department of Business Economic Development and Tourism (DBEDT) on the merits of H.B. 423, H.D. 2, S.D. 1, and provides the following comments for your consideration.

The Senate Committee on Economic Development, Tourism, and Technology (ETT) inserted the content of S.B. 1086, S.D. 2, into the S.D. 1 version of this measure, except for the aggregate credit cap of \$30 million per calendar year. H.B. 423, H.D. 2, S.D. 1, does the following:

- Extends the sunset date of the motion picture, digital media, and film production income tax credit (film credit) from January 1, 2019 to January 1, 2024;
- Limits the film credit to production costs incurred and expended within the state;
- Adds requirements to qualify for the film credit;
- Requires a financial audit of each film production by DBEDT; and
- Requires DBEDT, in collaboration with the Department, to provide an annual report to the Legislature.

The measure has a defective date of July 1, 2050.

First, the Department suggests clarifying the term “expended within the State” in Section 2 of H.B. 423, H.D. 2, S.D. 1, which amends sections 235-17(a)(1) and (2), Hawaii Revised Statutes (HRS). If this provision is intended to only allow purchases from local vendors, it may

violate the Commerce Clause of the United States Constitution. The Department defers to the Department of the Attorney General on this issue.

Second, the Department notes that the amendment to section 235-17(f), HRS, on page 7 starting with line 16 is not necessary because these requirements already exist in current law. Under current law, section 235-17(h) requires all taxpayers claiming the film credit to submit a statement to DBEDT identifying all qualified production costs no later than ninety days following the end of each taxable year in which the qualified production costs were expended. Section 235-17(i) requires DBEDT to certify the amount of qualified production costs, and requires all taxpayers claiming the film credit to attach the certificate issued by DBEDT to the tax return in order to claim the film credit.

Third, the Department defers to the Film Office within DBEDT on the administration of the additional requirements to qualify for the film credit set forth in sections 235-17(d) (6), (7), (8), (9), and (10).

Fourth, Section 7 of the measure requires the Department to collaborate with DBEDT and report to the Legislature annually, beginning January 1, 2018, on the number of jobs created in the State and the fiscal impact to the State of every film production in the State. The Department is willing to collaborate with DBEDT, but notes that it has no expertise in determining the number of jobs created in the State and the fiscal impact to the State of every film production in the State other than to provide a revenue estimate of the film credit amount.

The Department also notes that Act 89, Session Laws of Hawaii 2013, already requires DBEDT to submit an annual report to the Legislature. The report should include a cost benefit analysis of the film credit, including total number of full-time, part-time, and contract personnel, the average wage of each personnel group, and data detailing the non-aggregated qualified production costs, itemized by taxpayer.

In order to assist DBEDT in obtaining necessary information from the production companies, the Department suggests that the Committee consider requiring the production companies to file online surveys with DBEDT similar to sections 235-110.91(i), (j), (k), and (l), HRS. The Department also suggests a penalty for not complying with these information reporting requirements to ensure that the data is collected.

Finally, if the Committee wishes to move this measure forward, the Department notes that it will be able to administer Section 2 of this measure for taxable years beginning after December 31, 2017. This effective date will also prevent any ambiguity as to which productions the new requirements apply to.

The Department estimates the annual revenue loss to the general fund as follows:

FY 2020: \$36.5 million
FY 2021: \$37.6 million
FY 2022: \$38.7 million
FY 2023: \$39.9 million

Thank you for the opportunity to provide comments.



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

DAVID Y. IGE
GOVERNOR

LUIS P. SALAVERIA
DIRECTOR

MARY ALICE EVANS
DEPUTY DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Web site: dbedt.hawaii.gov

Telephone: (808) 586-2355
Fax: (808) 586-2377

Statement of
Luis P. Salaveria
Director

Department of Business, Economic Development, and Tourism

SENATE COMMITTEES ON JUDICIARY AND LABOR

AND WAYS AND MEANS

Thursday, March 30, 2017

9:50 AM

State Capitol, Conference Room 211

In consideration of
HB 423, HD2, SD1
RELATING TO FILM AND DIGITAL MEDIA INDUSTRY DEVELOPMENT.

Chairs Keith-Agaran and Tokuda, Vice Chairs Rhoads and Dela Cruz, and Members of the Senate Committees on Judiciary and Labor and Ways and Means.

The Department of Business, Economic Development and Tourism (DBEDT) **supports** of HB 423, HD2, SD1, which 1) extends the sunset date of the Motion Picture, Digital Media, and Film Production Income Tax Credit to January 1, 2024; 2) requires productions claiming the credit to provide evidence of consideration of cultural, community and environmental sensitivities; 3) requires productions claiming a tax credit of more than \$8M provide a community screening on the island where the majority of the production took place; and 4) adds clarifying language that only production costs expended within the state are claimable for the credit.

DBEDT **strongly supports extending the sunset date** to January 1, 2024, and request consideration of a January 1, 2029, extension to attract private sector interest and investment in development of Hawaii's creative media and film infrastructure, which requires a longer extension timeframe than five years.

Section 6 requires DBEDT to "hire an independent third party to conduct a financial audit for each film production claiming the credit" as part of the overall reporting duties. DBEDT requests amending the language to require productions with budgets of \$1 million or more to hire a Certified Public Accountant to conduct a third-party verification of eligible

expenditures prior to submission of the Hawaii Production Report to the film office.

DBEDT also appreciates the Legislature's intent to protect Hawaii's natural and cultural resources while recognizing the economic value the film and media industries bring to the State. However, Section 2(d), subsections (6), (7), (8), and (9) would duplicate the permitting requirements of the agencies with jurisdiction over these state treasures.

DBEDT also recommends that subsection (9) include the words "in consultation with the Hawaii Film Office" at the end of line 18, page 6 after the words "to advise the production". It is not always possible to secure a cultural expert that is appropriate for every production. The film office will also utilize "The Hawaiian Handbook" which is being developed by Pacific Islanders in Communications and the Hawaii Media Makers community as an environmental and cultural protocol guide.

While advance screenings prior to a motion picture's world premiere may not always be feasible and may not be able to be verified at the time of submission of a Hawaii Production Report, which is submitted at least 12 to 15 months in advance of any finished production, DBEDT requests Section 2(d) (10), be amended on page 7, line 1 by inserting language as follows, as scheduling of

(10) Agree that if any production claims a credit of more than \$8,000,000 under this section, the production shall provide a community screening of the finished production in advance of its world premiere, if possible, and within the county of the island in which the majority of the production took place. † provided that at the time that the final Hawaii production report is submitted, the plans for this community screening Plans for this community screening shall be verified coordinated with the Hawaii film office within the department of business, economic development, and tourism, and the plans are coordinated with the state and as well as the county film office(s) in advance of the screening."

Thank you for the opportunity to testify on this measure.



SENATE COMMITTEE ON JUDICIARY AND LABOR
The Honorable Gilbert S.C. Keith-Agaran, Chair
The Honorable Karl Rhoads, Vice Chair

SENATE COMMITTEE ON WAYS AND MEANS
The Honorable Jill N. Tokuda, Chair
The Honorable Donovan M. Dela Cruz, Vice Chair

H.B. No. 423, H.D. 2, S.D. 1, Relating to Film and Digital Media Industry Development

Hearing: Thursday, March 30, 2017, 9:50 a.m.

The Office of the Auditor has **no position** on H.B. No. 423, H.D. 2, S.D. 1, Relating to Film and Digital Media Industry Development, which, among other things, would extend the state's motion picture, digital media, and film production income tax credit ("film tax credit") for an additional five years; specify that the amount of the film tax credit is based on qualified production costs expended within the state; and require that to qualify for the film tax credit, a production must employ or contract for the services of historical, cultural, or language experts to advise the production.

We recently completed an audit of the motion picture, digital media, and film production tax credit, Report No. 16-08, *Audit of Hawai'i's Motion Picture, Digital Media, and Film Production Tax Credit* (November 2016). For your information and reference, a copy of the Auditor's Summary is attached to this testimony. Our full report is accessible through our website at <http://files.hawaii.gov/auditor/Reports/2016/16-08.pdf>.

Among other things, we determined that the department of taxation had increased the "cost" of the film tax credit by including out-of-state expenses as qualified production costs; that the benefit of the film tax credit to the state cannot reasonably be assessed because the production data that the Hawai'i film office currently captures is insufficient and inaccurate; and that the economic benefit that the film office and the department of business, economic development and tourism report as being generated by productions filming in Hawai'i is overstated and misleading. We recommended that productions be required to provide specific information about the number of Hawai'i resident and non-resident hires as well as salary information. We also recommended that productions be required to obtain *an independent review* by a certified public accountant of the costs that productions seek to qualify for the film tax credit.

Thank you for considering our testimony related to H.B. No. 423, H.D. 2, S.D. 1.

Auditor's Summary

Audit of Hawai'i's Motion Picture, Digital Media, and Film Production Income Tax Credit

Report No. 16-08



Photo: Petty Officer 2nd Class Nardel Gervacio - Public Domain, <https://commons.wikimedia.org/w/index.php?curid=39383018>

What problems did the audit work identify?

IN REPORT NO. 16-08, *Audit of Hawai'i's Motion Picture, Digital Media, and Film Production Income Tax Credit*, we found that insufficient administration of the film tax credit by the Department of Taxation (DoTAX) and the Hawai'i Film Office has likely increased the cost of the credit while overstating the possible economic benefits that it provides to the State.

Why did these problems occur?

DOTAX HAS BROADENED THE SCOPE of the film tax credit by including out-of-state expenses as "qualified production costs." That action is inconsistent with the plain language of the statute and the Legislature's intent that the incentive would stimulate economic growth in Hawai'i. For example, expenditures paid to out-of-state businesses and service providers do not infuse money into Hawai'i's economy or provide income for local residents; they do not create local jobs.

We also found that DoTAX has not adopted administrative rules needed to provide assurance that the film tax credits are sufficiently administered. Without such rules, tax credit qualifications are unclear, the film office



Tax credits: tools for economic development

TAX CREDITS and other forms of financial incentives are forms of government spending. Tax credits reduce the amount of tax that a business otherwise would be required to pay. In the case of refundable tax credits, if the amount of a tax credit exceeds a taxpayer's tax liability, the excess of the credit over the liability can be paid by the government to the taxpayer in the form of a tax refund.

does not have the administrative tools to enforce deadlines and other filing requirements, and there is no requirement that production costs be independently verified as qualifying for the tax credit. We have serious concerns about DoTAX's extended delay in promulgating rules. It has been more than ten years since the current form of the film tax credit was enacted.

Although the film tax credit law has existed in its current form since 2006, DoTAX has yet to promulgate rules.

While we strongly recommend that DoTAX promulgate rules without further delay, we found a number of provisions in the most recent public version of the proposed rules that should be revised to provide greater assurance that the film tax credits are being managed in accordance and consistent with the statute's intent.

We also found that the film office's analysis of film tax credit data does not measure the incentive's true costs and reports economic impacts that are based on incomplete and overstated data. For instance, it includes an unknown amount of out-of-state expenditures and wages paid to non-residents, as well as inaccurate production expenditure data. For example, highly paid producers, directors, actors, and crew are often residents of other states. While they may spend some of their salary or wages in Hawai'i, it is very unlikely that a significant percentage of their Hawai'i-earned income flows into the local economy. Including these salaries and other out-of-state expenditures in the calculation of benefits to the State significantly over-inflates the film tax credit's economic impacts. Instead, the film office should report to the Legislature on the quality of the jobs generated by film productions. Currently, the film office collects this type of information from production companies applying for the tax credit, but it does not track or report on it.

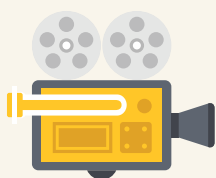


20/25

The percentages of qualified production costs a company receives as a tax credit for filming on O'ahu (20 percent or a neighbor island (25 percent).

Why do these problems matter?

THE FILM TAX CREDIT is set to sunset at the end of 2018, at which time the Legislature will need to decide whether the benefits of the program justify its continuing costs. Unfortunately, the film office cannot provide the Legislature with the relevant, accurate, and timely data necessary to make this determination.

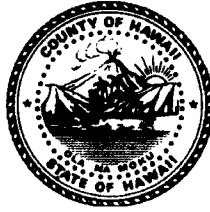


Starring Roles

We found that, for a major motion picture shot in 2014, above-the-line talent earned \$3.36 million in wages while filming in Hawai'i. All of these jobs were filled by non-Hawai'i residents. Based on the Department of Business, Economic

Development and Tourism's economic model, the film office likely estimated that the \$3.36 million earned by the non-resident talent generated more than \$1.41 million in local household income, even though the majority of the above-the-line talents' earnings likely were spent outside of Hawai'i.

Harry Kim
Mayor



Wil Okabe
Managing Director

Barbara J. Kossow
Deputy Managing Director

County of Hawai'i

Office of the Mayor

25 Aupuni Street, Suite 2603 • Hilo, Hawai'i 96720 • (808) 961-8211 • Fax (808) 961-6553
KONA: 74-5044 Ane Keohokalole Hwy., Bldg. C • Kailua-Kona, Hawai'i 96740
(808) 323-4444 • Fax (808) 323-4440

March 28, 2017

Senator Gilbert S.C. Keith-Agaran, Chair
Committee on Judiciary and Labor
Hawai'i State Capitol
Honolulu, HI 96813

Senator Jill N. Tokuda, Chair
Committee on Ways and Means
Committee on Ways and Means
Hawai'i State Capitol
Honolulu, HI 96813

Dear Chair Keith-Agaran, Chair Tokuda, and Committee Members:

**RE: HB 423, HD 2 SD 1
Relating to Film and Digital Media Industry Development**

Thank you for this opportunity to testify in support of the intent of HB 423, HD2, SD1.

As my Director of Research and Development testified in a previous committee on HB 423, HD 2:

"The film industry is something most everyone can support. But the world recognizes its value as well, and the competition is fierce. Therefore extending the production tax credit is critical to the health of the state's film, media and supporting creative industry sectors. Without the extension of the credit, not only production-related work will be impacted, but the likelihood of a public/private partnership to develop new industry infrastructure will be stalled.

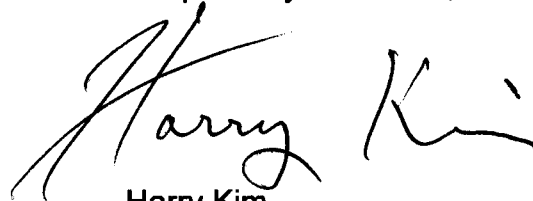
Since the cost of production is typically higher on the neighbor islands, increasing the tax credit for counties with a population of 700,000 or less will enable us to be more competitive and attractive to the production industry. And creating additional incentives

Keith-Agaran/Tokuda
March 28, 2017
Page 2

for hiring locally will provide more production related jobs for residents. This will incentivize the industry to hire locally rather than import workers.”

Please act favorably on HB 423.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Harry Kim". The signature is written in a cursive style with a large initial "H" and a long, sweeping underline.

Harry Kim
Mayor

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: INCOME, Extend Movie/TV Production Tax Credit

BILL NUMBER: HB 423, HD-2

INTRODUCED BY: Senate Committee on Economic Development, Tourism, and Technology

EXECUTIVE SUMMARY: Clarifies that qualified expenditures for the motion picture, digital media, and film production income tax credit are required to be expended within this State. Amends Act 88, Session Laws of Hawaii 2006, to extend the sunset date from January 1, 2019, to January 1, 2024. Requires DBEDT to submit an annual report to the legislature regarding the activities and expenditures of the tax credit. Clarifies that no rule shall be adopted to expand the scope of the tax credit where the rule conflicts with legislative intent. Requires DBEDT to conduct a financial audit of every film production in the State.

SYNOPSIS: Amends HRS section 235-17(a) to require the creditable production costs be incurred and expended within the State.

Amends HRS section 235-17(d) to require a production to provide evidence of ability to understand and navigate cultural and environmental sensitivities unique to Hawaii; employ or contract for the services of cultural resources or historical, cultural, or language experts to advise the production; and, for a production claiming a credit of more than \$8 million, to agree to provide a community screening of the finished production in advance of its world premiere within the county in which the majority of the production took place.

Amends HRS section 235-17(h) to provide that if a production fails to provide a written, sworn statement identifying qualified production costs in the previous taxable year, stating the amount of tax credits claimed in the previous taxable year, and the number of total hires versus the number of local hires by category and by county, within 90 days following the end of the taxable year, then the failure may constitute a waiver of the right to claim the credit.

Extends the sunset date of the credit to January 1, 2024.

Provides that no rule shall be adopted to expand the scope of the tax credit where the rule conflicts with legislative intent.

Requires DBEDT, in collaboration with Department of Taxation (DOTAX), to submit to the governor and the legislature a report on the number of jobs created in the State and the fiscal impact of every film production in the State; provided that each report shall be independently verified and audited for accuracy.

EFFECTIVE DATE: July 1, 2050, except that changes to the tax credit apply to taxable years beginning after December 31, 2050.

STAFF COMMENTS: Several the changes proposed in the bill appear to be reactions to the State Auditor's Report No. 16-08, "Audit of Hawai'i's Motion Picture, Digital Media, and Film Production Income Tax Credit."

The auditor's report, for example, accused DOTAX of broadening the scope of the film tax credit by including out-of-state expenses as qualified production costs. The auditor charged that this action is inconsistent with the plain language of the statute and the legislative intent of the initiative. Similarly, DOTAX allowed insurance premium costs to qualify as production costs because they were explicitly mentioned in the statute. The auditor took DOTAX to task on that one as well, citing a requirement in the statute that all qualified production costs be subject either to the net income or general excise tax, and noting that insurance premiums were subject to insurance premium tax.

DOTAX replied by saying that it had obtained an opinion from the Office of the Attorney General that the general excise tax and use tax are complementary taxes, concluding that the

inclusion of the use tax as a qualified production cost in spite of its exclusion from the plain language of the statute and the inclusion of insurance premiums in the plain language of the statute appear to be proper. The Director's treatment of both costs are grounded in well-established case law... To avoid subjecting the Film Credit to constitutional challenge, the Director has correctly recommended the inclusion of the use tax as a qualified production cost. The Director appears to be appropriately reading the plain language of the Film Credit in including insurance premiums.

Often, DOTAX will be asked to enforce tax statutes that may not have been perfectly drafted. The film credit statute is one of these. In such cases, the enforcing agency needs to resolve the ambiguities. The Attorney General concluded that DOTAX did so here, and we cannot find fault with that conclusion.

Section 4 of the bill, which states that no rule shall be adopted to expand the scope of the statute, is either unnecessary or confusing. The law is already clear that an administrative rule cannot expand the scope of the statutory law. HRS section 91-7(a); *Asato v. Procurement Policy Board*, 132 Haw. 333, 322 P.3d 228, 241-42 (2014). An administrative agency can only wield powers expressly or implicitly granted to it by statute, with implied powers necessary because the legislature cannot foresee all the problems incidental to carrying out the duties and responsibilities of the agency. *Haole v. State*, 111 Haw. 144, 152, 140 P.3d 377, 385 (2006).

On the broader policy question of whether the credit is justified, we call attention to the findings of California's Legislative Analyst's Office (LAO) regarding California's production credit.

Perhaps the most startling is the LAO's conclusion that \$1 out of every \$3 in credits went to productions that would have shot in California anyway. It turns out that California's credit was limited, the production companies applied for more credits than were available, and the state had to conduct a lottery to determine which of the productions would be awarded credit. But several productions began shooting even before lottery results were announced.

This result supports what Hawaii credit opponents have been saying over the years, namely, "They'll come anyway, so why do we need to pay them to come? We have great weather, blue sky, pristine beaches, and more."

The hard reality, however, is that productions are businesses and most do take a hard look at the bottom line, evidenced by the companies accounting for the other two-thirds of credits. Indeed, although the LAO lamented that industry-specific tax credits were "inappropriate public policy because they (1) give some businesses an unequal advantage at the expense of others and (2) promote unhealthy competition among states in a way that does not benefit the nation as a whole," LAO concluded that California shouldn't be giving up its production credit program while other states (including Hawaii) are actively competing with it for the production dollars. LAO recommended that California should consider scaling its program back when other states do.

At the same time, we in Hawaii need to remember that this interstate competition does affect us. We don't have a monopoly on beaches, sand, sunshine, forested hills, overgrown jungle, or other natural wonders. Productions can and do find comparable locations in Puerto Rico, New Zealand, and elsewhere.

Next, the LAO concluded that the tax credit program boosted California's economy only minimally, if at all. Because of the way California credits work, that state saw revenue benefits in the early years of the credit but found that the program cost more as time went on. We in Hawaii have had our production credit since 1997, so it's been almost twenty years. Have there been any studies about what the program has done for Hawaii's economy or Hawaii's tax revenue? None were cited to the Legislature when the Hawaii production tax credit was increased in 2013. Maybe we don't care as much about the hard dollars as we do about other intangible effects like local jobs, the development of a skilled workforce, or robust media education programs that simply weren't around at the turn of the century. Even if so, lawmakers should have data on these intangibles, and other cost-benefit information, so they can make intelligent decisions on this matter.

Digested 3/24/2017



Randy Perreira
President

HAWAII STATE AFL-CIO

345 Queen Street, Suite 500 • Honolulu, Hawaii 96813

Telephone: (808) 597-1441
Fax: (808) 593-2149

The Twenty-Ninth Legislature, State of Hawaii
Hawaii State Senate
Committee on Ways and Means
&
Committee on Judiciary and Labor

Testimony by
Hawaii State AFL-CIO
March 30, 2017

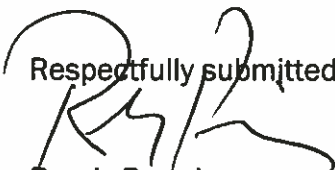
H.B. 423, H.D.1, S.D.1 - RELATING TO
FILM AND DIGITAL MEDIA INDUSTRY
DEVELOPMENT

The Hawaii State AFL-CIO supports H.B. 423, H.D.1, S.D.1 which requires that to qualify for the tax credit, a production must provide evidence of recognition, ability to understand, and efforts to respect and comply with cultural and environmental sensitivities in sensitive locations; including employing or contracting for the services of cultural resources or historical, cultural, or language experts to advise the production, requires that to qualify for the tax credit a production must agree that if the production claims a credit of more than \$8,000,000, the production will provide an advanced screening of the finished product in the county of the island in which the majority of the production took place, clarifies that qualified expenditures are required to be expended within this State and amends Act 88, Session Laws of Hawaii 2006, to extend the sunset date from 1/1/2019, to 1/1/24.

The film industry is a significant economic driver for the state of Hawaii. Many popular television shows such as Hawaii Five-O and Lost have been produced in Hawaii including a number of box office hits such as Jurassic Park, Pirates of the Caribbean, and 50 First Dates. These movies and television shows help promote Hawaii's tourism industry and provide high-quality jobs to a number of Hawaii residents. By extending the film tax credit it will continue to encourage production companies to film and produce movies and shows in the state of Hawaii and allow Hawaii to remain competitive with other states and countries that have enacted a similar film tax credit.

Thank you for the opportunity to testify.

Respectfully submitted,


Randy Perreira
President

The Twenty-Ninth Legislature
Regular Session of 2017

THE STATE SENATE

Committee on Judiciary and Labor

Senator Gilbert S.C. Keith-Agaran, Chair

Senator Karl Rhoads, Vice Chair

Committee on Ways and Means

Senator Jill N. Tokuda

Senator Donovan M. Dela Cruz, Vice Chair

State Capitol, Conference Room 211

Thursday, March 30, 2017; 9:50 a.m.

**STATEMENT OF THE ILWU LOCAL 142 ON H.B. 423 HD 2 SD 1
RELATING TO FILM AND DIGITAL MEDIA INDUSTRY DEVELOPMENT**

The ILWU Local 142 supports H.B. 423 HD 2 SD 1, which deleted the contents of H.B. 423 HD 2 and inserted the contents of S.B. 1986 SD 2. Both House and Senate drafts extend the sunset date of Act 88, Session Laws of Hawaii 2006, for five years from 1/1/2019 to 1/1/2024. There are a number of different requirements between the two drafts, but hopefully this will provide for a positive and successful negotiations in conference.

It is well recognized that the film industry not only is a significant component of Hawaii's economy, but also plays a crucial role in promoting Hawaii as a visitor destination. Moreover, at times film development and production may take much longer than anticipated, and delay the time for when a decision of where to film is made. Because of the strong competition with other jurisdictions, the film tax credit may become a key economic factor in making this decision.

H.B. 423 HD 2 SD 1 would extend the film tax credit for another five years, and to that degree would provide stability and predictable economic incentives for the film industry. This will allow Hawaii to remain competitive with other jurisdictions in attracting qualified productions that will generate additional revenue, jobs, and tourism marketing opportunities.

The ILWU urges passage of H.B. 423 HD 2 SD 1. Thank you for the opportunity to share our views on this matter.

The Senate
The Twenty-Ninth Legislature
Regular Session of 2017

COMMITTEE ON WAYS AND MEANS
Senator Jill N. Tokuda, Chair
Senator Donovan M. Dela Cruz, Vice Chair

Date: Thursday, March 30, 2017
Time: 9:50 AM
Conference Room 211
State Capitol, 415 South Beretania Street, Honolulu, HI

March 29, 2017

From: Roy Tjioe and Ricardo Galindez
Island Film Group
POB 3261
Honolulu, HI 96801
Ph: 808-536-7955

Aloha Chair Tokuda, Vice Chair Dela Cruz and Members of the Committee,

We support HB 423, HD2, SD1, which seeks to extend the sunset date Motion Picture, Digital Media, and Film Production Income Tax Credit and to increase the tax credit for qualified production costs in counties with populations of 700,000 or less, with the following suggestions and comments.

We have been working in Hawaii's film and television industry since 2001, starting as attorneys at the Hawaii law firm of Goodsill Anderson Quinn & Stifel where we represented local, independent and studio clients alike (including the hit ABC series "Lost" and the Fox series "North Shore"). Since our formation of Island Film Group in 2007, we have been working full-time as producers of feature films such as "Princess Kaiulani" and "Soul Surfer", network and cable television movies and series such as "Beyond the Break" for the N Network, as well as local, national and international commercial productions.

The extension of the sunset date of the Tax Credit legislation is critical to the continued growth of our local film and television industry.

As a producer of film and television programs in Hawaii, the Motion Picture, Digital Media, and Film Production Income Tax Credit ("Tax Credit") has been a

critical piece of the financing of these projects, which resulted in hundreds of high-paying jobs for our local residents and millions of dollars of expenditures in the local economy.

As a production services company, the Tax Credit has been instrumental in convincing mainland and foreign production companies to bring their projects (film, television and commercial) to Hawaii, again resulting in hundreds of high-paying jobs for our local residents and millions of dollars of expenditures in the local economy.

This increased level of film and television production has allowed local vendors to build and improve facilities, purchase additional equipment for use in productions, and to hire additional personnel.

Comments:

Guidelines for filming in sensitive locations is a good idea. Requiring the hiring of a cultural expert, without any substantive guidelines as to when an expert is needed, what qualifies someone as an expert and what happens if the expert and the production disagree will create more problems than it will solve.

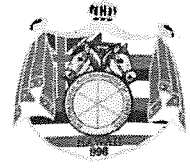
Any requirement for a production to provide a community screening of a film in advance of the world premiere is not consistent with the business norms of the film industry and would only benefit the privileged few who are invited to such a screening.

Suggestions:

The statute currently requires productions to provide evidence of reasonable efforts to hire local talent and crew. We suggest that this provision be amended to include evidence of reasonable efforts to do business with local vendors as well.

Me ke aloha,

Roy Tjioe and Ricardo Galindez
Co-Founders
Island Film Group
Honolulu, Hawaii



The Senate
The Twenty-Ninth Legislature
Regular Session of 2017

Committee on Judiciary and Labor
Senator Gilbert S.C. Keith-Agaran, Chair
Senator Karl Rhoads, Vice Chair

Committee on Ways and Means
Senator Jill N. Tokuda, Chair
Senator Donovan M. Dela Cruz, Vice Chair

RE: HB 423, HD2, SD1 RELATING TO FILM AND DIGITAL MEDIA INDUSTRY
DEVELOPMENT

Date: Thursday, March 30, 2017
Time: 9:50 a.m.
Place: Conference Room 211,
State Capitol, 415 S. Beretania St.

Aloha Chairs Keith-Agaran & Tokuda, Vice Chairs Rhoads & Dela Cruz and Members of the Committees,

We are the representatives from the film and entertainment industry unions, Brenda Ching, SAG-AFTRA Hawaii Local, Irish Barber, I.A.T.S.E. Local 665, Steve Pearson, American Federation of Musicians' Local 677 and Wayne Kaululaau, Hawaii Teamsters & Allied Workers Local 996. Collectively, we represent over 1700 members who work in film, television and new media productions as performers, crew, musicians and drivers in Hawaii.

We ***strongly support*** HB 423, HD2, SD1's portion of the bill that relates to the extension of the sunset date to January 1, 2024. Today we are competing in a global market and without the extension of the production film tax credit, we risk losing jobs, current productions and potential productions that are vital to the growth and sustainability of our industry.

The film tax credit was created specifically to attract business to our State and to create jobs and other economic benefits for residents. The film tax credit has done just that -- in its current form. By adding the amendments (6) through (10) in Section 2, § 235-17, HRS, could alter the film tax credit enough to drive production companies away to invest in other sunny destinations.

Committee on Judiciary and Labor
Committee on Ways and Means
March 30, 2017
Re: HD 423, HD2, SD1, Relating to Film and Digital Media Industry Development

page two

The film industry is a *vibrant* and *creative* industry. At its core, it promotes the State, provides good jobs and business opportunities for a broad spectrum of local companies. The industry has proven to be a good business and economic driver for the State.

We appreciate the legislature's long standing support of the industry. Thank you for giving us the opportunity to offer testimony on this measure.

Brenda Ching	Irish Barber	Steve Pearson	Wayne Kaululaau
SAG-AFTRA Hawaii Local	I.A.T.S.E. Local 665	A.F.M. Local 677	Teamsters Local 996

Attachment – Petition Lists

2017 PETITIONS TO EXTEND THE PRODUCTION FILM TAX CREDIT

No.	First Name	Last Name	Position or Title	Notes	City	Zip
1.	Brent	Anbe	Casting Director	*	'Aiea	96701
2.	Jeremy	Badon	Driver, Pacific Allied	*	'Aiea	96701
3.	Tom	Curtis	Prop Maker / Set Dresser	*	'Aiea	96701
4.	Ted	Sakamoto	Greensman	*	'Aiea	96701
5.	Mafa	Seti	Musician	*	'Aiea	96701
6.	Keoni	Wills	Carpenter	*	'Aiea	96701
7.	Ann	Takahashi	Parent of child actors		'Aiea	96701
8.	Kimberly	Alivia			'Aiea	96701
9.	Olivia	Goven	Customer Relations Rep		'Aiea	96701
10.	John	Kamoi			'Aiea	96701
11.	John Vince	Abejuela	Café Worker	*	Ewa Beach	96706
12.	Richelyn	Choe	Extra	*	Ewa Beach	96706
13.	Robert	Dunbar	Set Painter	*	Ewa Beach	96706
14.	June	Jones	Actor, Writer, SFX Make-Up Artist	*	Ewa Beach	96706
15.	Jerrold	Weida	Carpenter	*	Ewa Beach	96706
16.	Randall	Koide	Painter		Ewa Beach	96706
17.	Nancy	Klintonworth	Set Painter, Make-Up Artist		Ewa Beach	96706
18.	Zaid	Bates	Actor		Ewa Beach	96706
19.	Kaanoipono	Cabrinha	Prop Maker, Set Dresser		Ewa Beach	96706
20.	Gabriella	DaVeiga	Concerned Citizen, Visitor Industry		Ewa Beach	96706
21.	Jason	Ellerbee	Business Agent		Ewa Beach	96706
22.	Tammy	Fernandez	Office Clerk		Ewa Beach	96706
23.	Rodney	Hayes			Ewa Beach	96706
24.	Dominic	Lewis	Actor		Ewa Beach	96706
25.	Destiny	Ng	Actor, Model		Ewa Beach	96706
26.	Richard	Raquino	Truck Driver		Ewa Beach	96706
27.	Mokuahi	Ribuca	Grip, Electrician		Ewa Beach	96706
28.	Jace	Viernes	Student		Ewa Beach	96706
29.	Rocky Jose	Lacuesta		*	Kapolei	96707
30.	Marc	Nagai	Student	*	Kapolei	96707
31.	Kurt	Simafranca	Grip	*	Kapolei	96707
32.	Maribel	Apuya	Actor, Filmmaker, Screenwriter		Kapolei	96707
33.	Caleb	Baltensperger	Film Crew		Kapolei	96707
34.	Kalilinoe	Detwiler			Kapolei	96707
35.	Kengy	Gramberg	Medic		Kapolei	96707
36.	Daniel	Saad	Driver		Kapolei	96707
37.	Redel	Sacayanan	Service Technician		Kapolei	96707
38.	Melissa	Shimomura	Health and Welfare Representative		Kapolei	96707
39.	Scott	Wallace	Actor		Kapolei	96707
40.	Simon	Van Neste	Model	*	Haiku	96708
41.	Kevin	Kersting	Key Grip	*	Haleiwa	96712
42.	Brenda	Lopez-Zertz	Script Supervisor		Haleiwa	96712
43.	Kalani	Nozaki	Driver		Haleiwa	96712
44.	Randall	Francisco	Film Commissioner		Hanapepe	96716
45.	Michael	Epp	Public Health	*	Hauula	96717
46.	Jeffrey	Juett	Actor	*	Hauula	96717
47.	Herbert	Kaniaupio	Greensman	*	Hauula	96717
48.	Alvin	Cabrinha	Prop Master		Hauula	96717
49.	James	Mullins	Construction Worker		Hauula	96717
50.	Stacey	Perbera	Massage Therapist		Hauula	96717
51.	Ryan	Teriaccio	Tour Guide		Hauula	96717
52.	Justin	Finestone	Film Commissioner		Hilo	96720
53.	Adrain	Hein	CEO:Hawaii Action Academy, Stunt Coor	*	Holualoa	96725
54.	Frank	McClure	Prop-Maker, Art Dept	*	Honoka'a	96727
55.	Travis	Hoover	Sound Mixer, Utility	*	Ka'a'awa	96730
56.	Johanna	Legarda-Ignacio			Ka'a'awa	96730

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2017 PETITIONS TO EXTEND THE PRODUCTION FILM TAX CREDIT

No.	First Name	Last Name	Position or Title	Notes	City	Zip
57.	Jonathan	Reed	Driver	*	Kahuku	96731
58.	Penisimani	Latu	Truck Driver		Kahuku	96731
59.	Shyrome	Pahia	Driver		Kahuku	96731
60.	Chantal	BoomLa	Make-Up Artist	*	Kailua	96734
61.	Elyse	Chai	Student	*	Kailua	96734
62.	Theo	Coumb	Actor	*	Kailua	96734
63.	William	Hernandez	Driver	*	Kailua	96734
64.	John	Jackson	Video Tech	*	Kailua	96734
65.	David	Larsen	Driver	*	Kailua	96734
66.	Joanne	Miyata	Hair-Stylist	*	Kailua	96734
67.	Lihau	Peters	Actor	*	Kailua	96734
68.	Johnnie	Purvis	Electrician	*	Kailua	96734
69.	Bought-A-Boom		Film industry vendor	*	Kailua	96734
70.	Brian	Vollert	Key Rigging Grip	*	Kailua	96734
71.	Arthur	Wilson	Hair-Stylist	*	Kailua	96734
72.	Karl	HArbottle	Grip/Electrician	*	Kailua	96734
73.	Fe	Bailey	Crew		Kailua	96734
74.	Regina	Bailey	Production Assistant		Kailua	96734
75.	Krista	Carella	Producer		Kailua	96734
76.	Andrea	Doi			Kailua	96734
77.	Karl	Harbottle	Grip		Kailua	96734
78.	Jennie Lee	Sine	Actor		Kailua	96734
79.	Swarup	Tibby			Kailua	96734
80.	Jodi	Tokumar	Model		Kailua	96734
81.	Michael	Vernon	Model, Extra		Kailua	96734
82.	Benen	Weir	Actor		Kailua	96734
83.	Ronald	Wong	Prop Assist		Kailua	96734
84.	Stella	Vaccaro	Set Designer	*	Kailua-Kona	96740
85.	Joel	Rogers	Media Studio Director	*	Kailua-Kona	96740
86.	Jacob	Lienau	Production Manager, Local Coordinator	*	Kailua-Kona	96740
87.	Shari	Lienau	Owner, Production Companies	*	Kailua-Kona	96740
88.	Nicole	Nietz	Producer	*	Kailua-Kona	96740
89.	David	Gotter	Sound Post Production Studio	*	Kailua-Kona	96740
90.	Derek	Hall	Producer, Actor, Studio Executive	*	Kailua-Kona	96740
91.	Michael	Lienau	Producer/Director/Writer	*	Kailua-Kona	96740
92.	David	Cunnigham	Film Maker	*	Kailua-Kona	96740
93.	Richard	Farnham	Writer, Graphic Designer		Kailua-Kona	96740
94.	Josh	Harmsworth	Camera Operator		Kailua-Kona	96740
95.	Andrew	West	TV Presenter, Producer		Kailua-Kona	96740
96.	Brittany	Dodson	Actor		Kailua-Kona	96740
97.	Mitchell	Galín	Film Producer	*	Kalaheo	96741
98.	Smith	Sira	Art Dept Coord, Set Dresser, Greensman, Lab	*	Kamuela	96743
99.	Rick	Crum	Lighting, Effects, Grip, Technician	*	Kāne'ōhe	96744
100.	Ryan	Hanneman	Grip	*	Kāne'ōhe	96744
101.	Charley	Kaeo	Set Costumer, Props Assistant	*	Kāne'ōhe	96744
102.	Zachary	Kim	Electrician	*	Kāne'ōhe	96744
103.	Scott	Lief	Grip, Electrician, Set Dresser	*	Kāne'ōhe	96744
104.	William	Preston	Set Dresser, Prop Maker, Art Dept	*	Kāne'ōhe	96744
105.	Linda	Vollert	Costumer	*	Kāne'ōhe	96744
106.	Bruce	Vollert	Grip	*	Kāne'ōhe	96744
107.	Christopher	Wood	Set Dresser, Prop Maker	*	Kāne'ōhe	96744
108.	Kalani	Akau			Kāne'ōhe	96744
109.	Michael	Sullivan	Actor		Kāne'ōhe	96744
110.	Carl	Bertelmann	Driver		Kāne'ōhe	96744
111.	Michael	Carter	Actor		Kāne'ōhe	96744
112.	Lashauna	Downie	Agency Director		Kāne'ōhe	96744

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No.	First Name	Last Name	Position or Title	Notes	City	Zip
113.	Joseph	Lilio, Jr.	Heavy Equipment Operator		Kāneʻohe	96744
114.	Robert	Morrison	Actor		Kāneʻohe	96744
115.	Jeff	Napoleon	Actor		Kāneʻohe	96744
116.	Stacy	Newhouse	Props Assist, Set Dresser, Craft Service		Kāneʻohe	96744
117.	Shaun	Oliquiano	Writer, Director, Musician, Actor		Kāneʻohe	96744
118.	Dana	Sato	Rigging Electrician		Kāneʻohe	96744
119.	Kevin	Sawicki	Video Assist, Grip		Kāneʻohe	96744
120.	Kevin	Tanaka			Kāneʻohe	96744
121.	Shelby	Thayer Saunders	Actor		Kāneʻohe	96744
122.	Kelly	Westmiller	Prop Maker		Kāneʻohe	96744
123.	Robert	Wong	Film Crew		Kāneʻohe	96744
124.	Airi	Yoshioka	Student		Kāneʻohe	96744
125.	Michael	Gregg	Film Tech	*	Kapaa	96746
126.	Nadya	Wynd	Writer/Producer/Director	*	Kapaa	96746
127.	Jan	Gibb	Enterprenuer	*	Kapaa	96746
128.	Mario	Perez	Still Photographer	*	Kapaa	96746
129.	Jason	Lamport	Electrician	*	Keaau	96749
130.	Sara	Kim	Actor		Keaau	96749
131.	Harold	Fong	Set Costumer	*	Kihe	96753
132.	Christopher	Burke	Carp, Laborer		Kunia	96759
133.	Cynthia	Renaud-Kim	Tailor	*	Kurtistown	96760
134.	Dado	Santos	Grip, Electrician	*	Lahaina	96761
135.	Ocean	Langlois			Lahaina	96761
136.	Aaron	Densley	Actor, Teacher, Musician		Lāʻie	96762
137.	Susan	Tai Kaneko	President & CEO, KEDB		Lihue	96766
138.	Mark	Moquin	Grip	*	Makawao	96768
139.	Ricky	Caruso	Prop Maker	*	Pāhoa	96778
140.	Sean	Rush	Sound Mixer	*	Pāhoa	96778
141.	Michael	Cronin	Grip, Electrician	*	Paia	96779
142.	Chad	Hirokane	Set Painter	*	Pearl City	96782
143.	Duane	Kiyota	Actor	*	Pearl City	96782
144.	Shaneika	Aguilar	Cinematographer		Pearl City	96782
145.	Dymond	Cabildo	Student		Pearl City	96782
146.	Casey	Kaohi	Bus Operator		Pearl City	96782
147.	Rena	Shishido			Pearl City	96782
148.	Richard	Silva	Technician		Pearl City	96782
149.	Darren	Rodrigues, Jr.	Set Painter, Craft Service	*	Volcano	96785
150.	Ron	Evans	Grip, Electrician, Soundman	*	Wahiawa	96786
151.	Jonathon	Hanks	Student, Filmmaker	*	Wahiawa	96786
152.	Allison	Comlat			Wahiawa	96786
153.	Cydney	Gray	Actor, Model		Wahiawa	96786
154.	Paula	Hong	Hair Stylist		Wahiawa	96786
155.	Abe	Manglallan	Dispatcher		Wahiawa	96786
156.	Jordann	Aguon	Make-Up Artist	*	Mililani	96789
157.	Laura	Aguon	Make-Up Artist	*	Mililani	96789
158.	Serena	Flores	Coordintor, Producer	*	Miliani	96789
159.	Gabriel	Gaya	Actor	*	Mililani	96789
160.	Daniel	Kinney	Grip	*	Mililani	96789
161.	Judith	Braaten	Customer Service Rep		Mililani	96789
162.	Ernie	Daido	Pressure Control		Mililani	96789
163.	Julie	Estrella	Art Director		Miliani	96789
164.	Donovan	Egloria, Jr.	Technician		Mililani	96789
165.	Jeanine	Higa	Animator		Mililani	96789
166.	Jennifer	Manchester	Customer Service Rep		Mililani	96789
167.	Leatrice	Oliva	Senior Office Clerk		Mililani	96789
168.	Jeff	Parker	Actor		Mililani	96789

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2017 PETITIONS TO EXTEND THE PRODUCTION FILM TAX CREDIT

No.	First Name	Last Name	Position or Title	Notes	City	Zip
169.	Sean	Sagimoto			Mililani	96789
170.	Shane	White	Dolly Grip, Rig Grip, Elec, Craft Svc, Props		Mililani	96789
171.	Heather	Wood	Parent of child actor, model		Kula	96790
172.	Ashlen	Aquila	Stunt Actor		Waialua	96791
173.	Barbara	Logan	Actor		Waialua	96791
174.	Todd	Sells	Actor, Stuntman		Waialua	96791
175.	Paige	Barber	Air Conditioning	*	Waianae	96792
176.	Kapo	Leslie	Prop Assist, Grip	*	Waianae	96792
177.	David	White	Laborer		Waianae	96792
178.	Antonio	Insillio	HCCD Quarry Worker		Waianae	96792
179.	Emmitt	Kamaha	Welder		Waianae	96792
180.	Craig	Davidson	Stunts		Waianae	96792
181.	Hannah	Hadaway	Actor		Waianae	96792
182.	Kalani	Whitford	Actor		Wailuku	96793
183.	Dean	DesJarlais	Gaffer	*	Waimānalo	96795
184.	David	Eckart	Stunt/Safety		Waimānalo	96795
185.	David	Hokama	Hawai'i Gas Corrosion Tech		Waimānalo	96795
186.	Richard	Goles	Business Representative	*	Waipahu	96797
187.	Ishmail	Hills	Electrician	*	Waipahu	96797
188.	Joelle-Lyn	Sarte	Coordinator	*	Waipahu	96797
189.	Dalton	Bruno			Waipahu	96797
190.	Johnlyn	Doi			Waipahu	96797
191.	Kaeli	Giron			Waipahu	96797
192.	Jared	Louis			Waipahu	96797
193.	Gianfranco	Niso	Laborer		Waipahu	96797
194.	Arthur	Reimer			Waipahu	96797
195.	Steve	Tanizaki	Stand-In		Waipahu	96797
196.	Lynn	Tomi Paulo			Waipahu	96797
197.	Diane	Umeda	Writer		Waipahu	96797
198.	Harley	Bone	Grip, Electrician	*	Honolulu	96807
199.	Jeffrey	NihipaliDay	Dolly Grip, Grip, Rigging Grip	*	Honolulu	96807
200.	Nohealani	NihipaliDay	Producer/Founder - Ike Hawai'i	*	Honolulu	96807
201.	Curtis	Wingertter	Grip, Electrician	*	Honolulu	96811
202.	Natalie	Bruce	Make-Up Artist	*	Honolulu	96813
203.	James	Butler	Grip	*	Honolulu	96813
204.	Julia	Gadiana	Hair-Stylist	*	Honolulu	96813
205.	Richard	Groder	Driver	*	Honolulu	96813
206.	William	Maheras	Director of Photography	*	Honolulu	96813
207.	Scott	Ok	Actor	*	Honolulu	96813
208.	Michael	Pierceall	Prop Maker	*	Honolulu	96813
209.	Ron	Riles	Actor, Film Crew	*	Honolulu	96813
210.	Tui	Scanlan	Grip	*	Honolulu	96813
211.	Kilani	Villiaros	Writer, Filmmaker	*	Honolulu	96813
212.	Michael	Hanawahine		*	Honolulu	96813
213.	Victoria	Canicosa-Miles	Piano Teacher, College Student		Honolulu	96813
214.	Christopher	Kahunahana	Writer, Director		Honolulu	96813
215.	Myles	Kawakami	Driver		Honolulu	96813
216.	Stuart	Lock	Grip		Honolulu	96813
217.	Robert	Maclean	Special Effects Crew		Honolulu	96813
218.	Benedict	Ramos			Honolulu	96813
219.	Laine	Rykes	Make-Up Artist		Honolulu	96813
220.	Frank	Triss	Stunts		Honolulu	96813
221.	Lori	Tabion	Cash, Credit and Collections		Honolulu	96813
222.	Noelle	Yoza	Actor		Honolulu	96813
223.	Stephen	Bacquet	Lighting Technician	*	Honolulu	96814
224.	Dawn	Larson-Lord	Business Owner	*	Honolulu	96814

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No.	First Name	Last Name	Position or Title	Notes	City	Zip
225.	Darcel	Larimore	Hotel Worker		Honolulu	96814
226.	Kurt	Noe	Student, Animator, Media Technician		Honolulu	96814
227.	Matthew	Berner	Cameraman	*	Honolulu	96815
228.	Jeff	Dawn	Make-Up Department Head	*	Honolulu	96815
229.	Justin	Fischer	Set Dresser, Props Assist	*	Honolulu	96815
230.	Daniel	Garab	Sound Technician	*	Honolulu	96815
231.	Myron	Guerrero	Assistant Location Manager	*	Honolulu	96815
232.	Patrick	Jeppeson	Electrician	*	Honolulu	96815
233.	Koji	Katsuhira	Producer	*	Honolulu	96815
234.	Brian	Matsumura	Assistant Cameraman	*	Honolulu	96815
235.	Patricia	Patterson	Driver	*	Honolulu	96815
236.	Michael	Prioste	Camera Assistant	*	Honolulu	96815
237.	Allan	Kaye	Sound	*	Honolulu	96815
238.	Renko	Arakawa	Broadcaster		Honolulu	96815
239.	Joy	Kam	Talent Agent		Honolulu	96815
240.	Miya	King	Coordinator		Honolulu	96815
241.	Jeffery	Lewis	Costume Supervisor		Honolulu	96815
242.	Becky	Maltby	Actor		Honolulu	96815
243.	Nao	Nakamura	Office Manager		Honolulu	96815
244.	Koki	Nishitani	Japanese Film Prod Co. Owner		Honolulu	96815
245.	Marie	Noelle	Costumes, Wardrobe		Honolulu	96815
246.	Scott	Robertson	Actor		Honolulu	96815
247.	Kelli	White	Student		Honolulu	96815
248.	Scott	Caan	Actor	*	Honolulu	96816
249.	Sue	Chipperton	Film Crew	*	Honolulu	96816
250.	Sylvian	Cho-Moody	Actor	*	Honolulu	96816
251.	Renee	Confair	Production Supervisor	*	Honolulu	96816
252.	Sanoë	Damon	Production Coordinator	*	Honolulu	96816
253.	Perry	Daniel	Props Assistant	*	Honolulu	96816
254.	Donovan	Duncan	Hawai'i Regional Dir	*	Honolulu	96816
255.	Layla	Hanohano-Tripp	Production Assistant	*	Honolulu	96816
256.	Jacob	Holcomb	Electrician	*	Honolulu	96816
257.	Chad	Kanahele	Electrician	*	Honolulu	96816
258.	Zack	Kennedy	Office PA	*	Honolulu	96816
259.	William	Koshi	Props Assist	*	Honolulu	96816
260.	Edward	Koshi	Set Dresser, Prop Maker, Welder	*	Honolulu	96816
261.	Kecia	Liftman	Make-Up Artist	*	Honolulu	96816
262.	Joseph	Medeiros	Driver	*	Honolulu	96816
263.	Kelly	Mumme	Actor	*	Honolulu	96816
264.	James	Murphy	Grip	*	Honolulu	96816
265.	Desi	Ohira	Actor	*	Honolulu	96816
266.	Rufina	Pagaduan	US Postal Worker	*	Honolulu	96816
267.	Christopher	Putt	Grip	*	Honolulu	96816
268.	Marc	Ribuca	Grip, Electrician	*	Honolulu	96816
269.	Richard	Ribuca	Grip, Electrician	*	Honolulu	96816
270.	Rachel	Sutton	Casting Director	*	Honolulu	96816
271.	Ryan	Tanaka	HR Administrator	*	Honolulu	96816
272.	Luke	Thompson	Electrician	*	Honolulu	96816
273.	Brian	Wallace	Grip	*	Honolulu	96816
274.	David	Wallace	Grip, Electrician	*	Honolulu	96816
275.	Cliff	Tai	Laborer	*	Honolulu	96816
276.	Glenn	Hall	Marine Coordinator	*	Honolulu	96816
277.	Troy	Scanlan	Prop Maker	*	Honolulu	96816
278.	Kurt	Lager	Medic	*	Honolulu	96816
279.	Carrie	Shuler	Costumer		Honolulu	96816
280.	Joseph	Uahinui	Laborer		Honolulu	96816
281.	Kila	Young	Stunt Player		Honolulu	96816

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No.	First Name	Last Name	Position or Title	Notes	City	Zip
282.	Keikilani	Grune	Actor		Honolulu	96816
283.	Sonny	Awai, Jr.	Background Actor		Honolulu	96816
284.	Kalani	Ayau	Self-employed		Honolulu	96816
285.	Joseph	Baeza	Camera		Honolulu	96816
286.	Leslie	Collado			Honolulu	96816
287.	Vicki	Damiel			Honolulu	96816
288.	Joanna	Koko			Honolulu	96816
289.	Susan	Trigger	Production Manager		Honolulu	96816
290.	Kia	Werkmeister	Student		Honolulu	96816
291.	Erika	Aresta	Set Costumer	*	Honolulu	96817
292.	David	Crans	Camera Asst, Swing Gang	*	Honolulu	96817
293.	Sherry	Fox	Set Costumer, Electrician	*	Honolulu	96817
294.	Alexandra	Hearn	Assistant Production Coordinator	*	Honolulu	96817
295.	Caleb	Lucero	Camera Assistant	*	Honolulu	96817
296.	Lisa	Mitchell	Production Supervisor	*	Honolulu	96817
297.	Byron	Ono	Actor	*	Honolulu	96817
298.	Debra	Rego	Hair-Stylist	*	Honolulu	96817
299.	Kaipu	Seales	Set Painter, Layout Board, Grip	*	Honolulu	96817
300.	Gerald	Tavares	Driver	*	Honolulu	96817
301.	Ane	Tranetzki	Key Grip	*	Honolulu	96817
302.	Linda	Wojcieski	Driver	*	Honolulu	96817
303.	Lonnie	Sanders	Laborer	*	Honolulu	96817
304.	Gaylen	Galera	Driver		Honolulu	96817
305.	Gregory	Doi	Set Lighting Technician		Honolulu	96817
306.	Martha	McDermott	Model		Honolulu	96817
307.	Rebecca	Sy-Ristikangas	Actress		Honolulu	96817
308.	Colleen	Uejo	Teacher		Honolulu	96817
309.	Inga	Anahu	Driver	*	Honolulu	96818
310.	Scott	Mason	Digital Information Tech	*	Honolulu	96818
311.	Jason	Triplett	Stunt Performer	*	Honolulu	96818
312.	Shadyne	Aglia			Honolulu	96818
313.	Don	Chong	Editor		Honolulu	96818
314.	Arthel Lei	Lizada	Student Journalist		Honolulu	96818
315.	Ralph	Malani	Hair Stylist		Honolulu	96818
316.	Tom	Shiu	Computer Ariist		Honolulu	96818
317.	Roxanne	Aranda	Office Assistant	*	Honolulu	96819
318.	Hazel	Gaubiso	Port Agent - Seafarers Union	*	Honolulu	96819
319.	IBEW Local 1186		Electricians Union	*	Honolulu	96819
320.	Don	Luna	Carpenter	*	Honolulu	96820
321.	Concepcion	Alicino	Production Coordinator	*	Honolulu	96821
322.	Andrew	Jackson	Advertising Executive	*	Honolulu	96821
323.	Brian	Julian	Video Camera Assistant	*	Honolulu	96821
324.	William	Self	Chief Lighting Technician/Gaffer	*	Honolulu	96821
325.	Keli'I Kanaka'ole	Ioane	ACM Student		Honolulu	96821
326.	Charles	Kramer	Grip, Electrician		Honolulu	96821
327.	Shino	McLaughlin	Hair Stylist, Make-Up		Honolulu	96821
328.	Jordan		Actor		Honolulu	96821
329.	Scott	Amona	Locations Assistant	*	Honolulu	96822
330.	Marcus	Campbell	Student	*	Honolulu	96822
331.	Kainoa	Clemey?	Student	*	Honolulu	96822
332.	Daniel	Cochran	Grip	*	Honolulu	96822
333.	Lisette	Flanary	UH Associate Professor, Director	*	Honolulu	96822
334.	Derek	Goeden	Student	*	Honolulu	96822
335.	Jesse	Kaye	Student	*	Honolulu	96822
336.	Ian	Kelly	Media Center Technical Assistant, Camera Op	*	Honolulu	96822
337.	Dylan	Lawier	Student	*	Honolulu	96822

* Indicates that comments were made on the petition. Petitions are readily available upon request.

2017 PETITIONS TO EXTEND THE PRODUCTION FILM TAX CREDIT

No.	First Name	Last Name	Position or Title	Notes	City	Zip
338.	Christina	Lee	Set Dec Coordinator, Asst Prod Coord	*	Honolulu	96822
339.	Gary	McCarty	Actor	*	Honolulu	96822
340.	Gary	Nakano	Graphic Designer	*	Honolulu	96822
341.	Douglas	Olivares	Camera Tech	*	Honolulu	96822
342.	Paul	Perri	Grip	*	Honolulu	96822
343.	Karen	Preiser	Make-Up Artist	*	Honolulu	96822
344.	Maroup	Richmond	Actor, Props, Stunts	*	Honolulu	96822
345.	Daniel	Rosner	Key Grip	*	Honolulu	96822
346.	Bonnie	Ross	Screenwriter, Actor, Film Crew, Hotel Worker	*	Honolulu	96822
347.	Kristin	Sifton	Make-Up Artist	*	Honolulu	96822
348.	Pat	Silva	Business Agent	*	Honolulu	96822
349.	Peter	Suski	Writer	*	Honolulu	96822
350.	Cathie	Valdovino	Set Costumer	*	Honolulu	96822
351.	Chad	Yazawa	Actor	*	Honolulu	96822
352.	Robert	Bates	Producer		Honolulu	96822
353.	Brenda	Ching	Executive Director		Honolulu	96822
354.	Lily	Ching	Secretary		Honolulu	96822
355.	Julia	Desposito	Retail		Honolulu	96822
356.	Lowell	Gerry	Actor, Musician, Writer		Honolulu	96822
357.	Moonseong	Kim			Honolulu	96822
358.	Gina	Lewia	Educator		Honolulu	96822
359.	Kapi'olani	Masusako	Actor		Honolulu	96822
360.	Sabrina	McLean	Student		Honolulu	96822
361.	Jack	Moore	Student		Honolulu	96822
362.	Eadie	Omonaka	Communications Specialist		Honolulu	96822
363.	Alvin	Phouksouwath			Honolulu	96822
364.	Claudia	Plummer	Educator		Honolulu	96822
365.	Thomas	Purdy	Self-employed		Honolulu	96822
366.	Rebekkah	Quinlan	Customer Service Rep		Honolulu	96822
367.	Alexa	Quiroz	Audio Board for HITS program at UHM		Honolulu	96822
368.	Sloan	Sampson	Actor		Honolulu	96822
369.	Tia	Swarbrick	Actress		Honolulu	96822
370.	Tumua	Tuinei			Honolulu	96822
371.	Dane	Van Epps	Student		Honolulu	96822
372.	Alexander	Vetter	Writer, Director, Director of Photography		Honolulu	96822
373.	Raman	Wycze	Student		Honolulu	96822
374.	Sasha	DeMello	Art Dept Coordinator	*	Honolulu	96823
375.	Ana	Ravedutti	Actress		Honolulu	96823
376.	Jon-Kelly	Hanoa	Driver		Honolulu	96824
377.	Irish	Barber	Business Rep, Script Supervisor	*	Honolulu	96825
378.	Andrew	Calma, Jr.	Set Painter	*	Honolulu	96825
379.	Jon	Dahl	Transportation Captain	*	Honolulu	96825
380.	Jenna Bleu	Forti	Actress	*	Honolulu	96825
381.	Mark	Kalaugher	Chief Lighting Technician/Gaffer, Grip	*	Honolulu	96825
382.	Jamie	Ku	Legal Clearance Coordinator	*	Honolulu	96825
383.	Justin	Powers	Location Manager, Prop Maker, Grip, Electric	*	Honolulu	96825
384.	Kalei	Santos	Driver	*	Honolulu	96825
385.	Keith	Taylor	Production Assistant, Sound Mixer	*	Honolulu	96825
386.	Amber	Tomasello	Assistant Director	*	Honolulu	96825
387.	Edward	Tunney	Chief Lighting Technician/Gaffer	*	Honolulu	96825
388.	Jonathon	Wong	Caterer	*	Honolulu	96825
389.	Miranda	Yacobucci	Production Assistant	*	Honolulu	96825
390.	Andrew	Yasuhara	Caterer	*	Honolulu	96825
391.	Lyle	Yasuhara	Driver	*	Honolulu	96825
392.	Derek	Young	Medic	*	Honolulu	96825
393.	Zack	Hannemann	Grip	*	Honolulu	96825

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2017 PETITIONS TO EXTEND THE PRODUCTION FILM TAX CREDIT

No.	First Name	Last Name	Position or Title	Notes	City	Zip
394.	James	Levy	Grip		Honolulu	96825
395.	Robert	Cuadra	Stage Hand		Honolulu	96825
396.	Chuck	Cohen	Watcher		Honolulu	96825
397.	Bridgette	Cordero	Film Crew, Student		Honolulu	96825
398.	Ishay	Craig	Film Crew		Honolulu	96825
399.	James	Flynn	Actor, Sound Designer, Sound Editor		Honolulu	96825
400.	Blane	Hisao	Prop Maker		Honolulu	96825
401.	Chloe	Ma			Honolulu	96825
402.	Natsume	Minegishi	Producer		Honolulu	96825
403.	Elizabeth	Perreira	Operations Manager		Honolulu	96825
404.	Richard	Tashima	Actor		Honolulu	96825
405.	Gail	Uyeno	Producer		Honolulu	96825
406.	Gala Catering		Caterer		Honolulu	96825
407.	Tenita	Baker	Hair-Stylist	*	Honolulu	96826
408.	Alexander	Dushenko	Student, Filmmaker	*	Honolulu	96826
409.	Renee	Hall	Set Costumer	*	Honolulu	96826
410.	Ye Won	Lee		*	Honolulu	96826
411.	Don	Nahaku	Actor	*	Honolulu	96826
412.	Wendy	Naile		*	Honolulu	96826
413.	Sheldon	Yamauchi	Hair-Stylist	*	Honolulu	96825
414.	Jonas	Getzet	Student		Honolulu	96826
415.	Marissa	Hernandez	Student		Honolulu	96826
416.	Greg	Hunt	Actor		Honolulu	96826
417.	Natalia	Jackson	Student, Film Crew		Honolulu	96826
418.	Leiana	Nitura			Honolulu	96826
419.	James	Takahashi	Grip		Honolulu	96826
420.	Kellen	Tasaka			Honolulu	96826
421.	Terrance	Truong	Network Operations Technician Trainee		Honolulu	96826
422.	Paulette	Crammond	Hair-Stylist		Honolulu	96828
423.	Jazmyn	Tomas	Animator		Honolulu	96830
424.	Christopher	Dailey	Actor	*	Honolulu	96837
425.	John	LeBlanc	Guitarist, Internet Genius	*	Honolulu	96837
426.	Gerald	Mito	Driver	*	Honolulu	96839
427.	Brian	Kessler	Laborer	*	Honolulu	96839
428.	Sameek	Saraswat	ACM Student		Honolulu	96848
429.	Tina	Godwin			Honolulu	
430.	Susan	Wyshynski	Actor, Stand-In	*	Honolulu	
431.	Cayle	Chow	Student	*	Seattle	
432.	Dane	Drewis	Actor		Los Angeles	90066
433.	Rachel	Brann	Actor		Santa Monica	90403
434.	Linda	Sutton	Set Decorator - "Hawai'i Five-O"	*	Pasadena	91101
435.	Leon	Sheen	Actor		Glendale	91207
436.	Amanda	Russell	Film Crew		Canoga Park	91303
437.	Scott	Meehan	Art Director	*	Big Bear	92315
438.	Derek	Stefan	Actor	*	Santa Rosa	95404

**TESTIMONY OF NBC UNIVERSAL MEDIA, LLC. IN SUPPORT OF
H.B. 423 SD 1 RELATING TO FILM AND DIGITAL MEDIA INDUSTRY
DEVELOPMENT**

DATE: Thursday, March 30, 2017

TIME: 9:50 am

ROOM: 211

To: Chairperson Jill Tokuda and Chairman Gilbert Keith Agaran and Members of the Senate Committee on Ways and Means and the Senate Committee on Judiciary and Labor:

The principal purpose of this bill is to extend the qualified production tax credit from December 31, 2018 to December 31, 2024, a period of five years. Act 89, the original enabling legislation which passed in 2013 and increased the film tax credit by 5%, is scheduled to sunset on January 1, 2019.

NBC Universal Media, LLC (“NBCUniversal”) reaffirms its previous position and joins other film and TV companies in supporting the extension of the Hawaii Film Tax Credit Program to January 1, 2024.

NBCUniversal develops, produces, broadcasts and distributes motion pictures, television programs and related content for distribution around the world. Over the last several years, the Hawaii Legislature and the people of Hawaii have developed a clear consensus that the motion picture, television and related digital media industries (the “Film Industry”) is an important component of a diversified economy, and has had a positive financial impact on the state. NBCUniversal, together with other film and TV producers in the industry, feel that an extended sunset date will foster the continued growth, and provide for predictability and certainty of the film and media industry in Hawaii.

If HB 423 SD 1 becomes law with the critical changes proposed by the MPAA as recited below, the film industry and producers will be in a position to make long-term production plans in Hawaii's favor with the assurance that the film tax credit will remain law for at least the next seven years. The planning, development and actual production of a film and television series takes several years to develop, long before physical production actually begins. The extension of the production tax program will thus support sustainable long-term job creation and on-going direct investment in the State. The SD 2 extension will further allow Hawaii to effectively compete internationally with other film production centers in attracting a greater number of significant projects to the islands and to continue to build Hawaii's local film industry.

The MPAA is proposing several amendments to HB423 SD 1 that are important to the program's future. NBCUniversal is also in support of these amendments which we think are critical in order to effectuate the program's policy objectives. We hope the committee will give them due consideration. They include the following:

- Strike the term 'and expended within the state' in Section (1)(a)(2) as the term only serves to introduce the prospect for confusion in the determination of eligible expenditures. Costs must already be 'incurred' in the state.
- Requiring, as an alternative to an advance screening prior to a premiere and worldwide distribution, that a producer be permitted to offer an alternative community recognition or marketing opportunity approved by DCED through rule;
- Eliminate waiving the right to receiving any credit for failure to provide post production information. In the alternative, we respectfully request the credit shall not be released until the information is provided; and

- Consider establishing reasonable parameters that require evidence of cultural sensitivity. The industry is committed to working with the State and municipal governments of Hawaii to respect the State's extraordinary heritage and cultural identity. We only ask that set, achievable guidance be established through regulation.

NBCUniversal stands ready to work with the Hawaii Legislature, the Administration and local Film Industry stakeholders to continue, improve and enhance Hawaii's film incentive program to help build a predictable, robust, stable and sustainable Film Industry in the State of Hawaii. Thank you for the opportunity to present this testimony.

If you have any further questions, please feel free to contact Bob Toyofuku of Advocates [\(808\) 554-0852](tel:8085540852) or Ron Orlando of Comcast NBCUniversal [\(215\) 823-9463](tel:2158239463).

From: mailinglist@capitol.hawaii.gov
Sent: Friday, March 24, 2017 4:37 PM
To: WAM Testimony
Cc: hawaiifishingfanatic@gmail.com
Subject: Submitted testimony for HB423 on Mar 30, 2017 09:50AM

HB423

Submitted on: 3/24/2017

Testimony for WAM/JDL on Mar 30, 2017 09:50AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Don Aweau	Individual	Support	No

Comments: In steadfast support of the extension of the existing credit for five more years. The film industry has contributed immensely to our local economy in many ways and our tourism industry. I urge committee members to vote in favor of this bill for the future of our number one economic driver and to continue to promote the State of Hawai'i for its residual benefits. Mahalo nui loa.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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