### A BILL FOR AN ACT

RELATING TO MEDIA PRODUCTION.

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

| 1  | SECTION 1. Section 235-17, Hawaii Revised Statutes, is |  |
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| 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 (1);                           |
| 7  | (2)  | Have qualified production costs totaling at least      |
| 8  |  | \$200,000;   |
| 9  | (3)  | Provide the State, at a minimum, a shared-card, end-   |
| 10 |  | title screen credit, where applicable;                 |
| 11 | (4)  | Provide evidence of reasonable efforts to hire local   |
| 12 |  | talent and crew; and                                   |
| 13 | (5)  | Provide evidence of financial or in-kind contributions |
| 14 |  | or educational or workforce development efforts[7]     |
| 15 |  | totaling at least \$ , in partnership with             |
| 16 |  | related local industry labor organizations,            |
| 17 |  | educational institutions, or both, toward the          |

| furtherance of the local film and television and               |  |  |
|--|--|--|
| digital media industries."                                     |  |  |
| 2. By amending subsection (j) to read:                         |  |  |
| "(j) Total tax credits claimed per qualified production        |  |  |
| shall not exceed \$8,000,000. Total qualified production tax   |  |  |
| credits claimed by a taxpayer shall not exceed \$ per          |  |  |
| taxable year."   |  |  |
| SECTION 2. Section 394-8, Hawaii Revised Statutes, is          |  |  |
| amended to read as follows:                                    |  |  |
| "[+]§394-8[+] New industry training program. (a) There         |  |  |
| is hereby established the new industry training program, which |  |  |
| shall be administered by the department of labor and industria |  |  |
| relations. Program moneys may be used to tailor training or    |  |  |
| retraining programs to meet the needs of qualifying businesses |  |  |
| to reimburse instructors for valid and approved expenditures i |  |  |
| delivering instruction under the program, to rent appropriate  |  |  |
| training facilities and equipment, when necessary, to purchase |  |  |
| or develop materials required to deliver the instruction, and  |  |  |
| for any other training-related expenses.                       |  |  |
| (b) The department shall utilize the resources of the          |  |  |
| University of Hawaii, including the community college system,  |  |  |
| the high technology development corporation, and other         |  |  |
|  |  |  |

1 educational and training resources in the public and private 2 sectors throughout the State as may be appropriate to be used to 3 provide preemployment or employment training or on-the-job 4 training for local residents hired by businesses relocating to 5 Hawaii or expanding their local operations. The department may 6 contract for these training needs from public agencies including 7 the various University of Hawaii campuses, private educational 8 institutions, nonprofit corporations, or private entities in 9 order to provide the required training. 10 The department shall be authorized to implement and operate 11 media production training programs under this section; provided 12 that the media production training programs shall be developed 13 and administered under the quidance of an advisory group formed 14 by the director of labor and industrial relations and consisting 15 of members from the University of Hawaii, including the **16** community colleges and academy of creative media, the creative **17** industries division of the department of business, economic 18 development, and tourism, and trade unions."

SECTION 3. Statutory material to be repealed is bracketed

and stricken. New statutory material is underscored.

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- 1 SECTION 4. This Act shall take effect upon its approval;
- 2 provided that section 1 shall apply to taxable years beginning

3 after December 31, 2012.

INTRODUCED BY

JAN 2 0 2012

#### Report Title:

Digital Media; Tax Credit Cap; Workforce Development

#### Description:

Establishes a cap per taxpayer on digital media tax credits. Places a monetary amount on the contributions and workforce development efforts that are required to qualify for the tax credit. Authorizes the Department of Labor and Industrial Relations to implement and operate media production training programs.

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