
A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. Section 235-17, Hawaii Revised Statutes, is
2 amended as follows:

3 1. By amending subsection (b) to read:

4 "(b) The credit allowed under this section shall be
5 claimed against the net income tax liability for the taxable
6 year.

7 Notwithstanding any law to the contrary, the department
8 shall file a public disclosure identifying the name of each
9 taxpayer who received the tax credit and the total amount of tax
10 credit received. The public disclosure shall be filed no later
11 than _____ days after the department's processing of the
12 return in which the credit is claimed.

13 For the purposes of this section, "net income tax
14 liability" means net income tax liability reduced by all other
15 credits allowed under this chapter."

16 2. By amending subsections (i) and (j) to read:



1 "(i) The department of business, economic development, and
2 tourism shall:

3 (1) Maintain records of the names of the taxpayers and
4 qualified productions thereof claiming the tax credits
5 under subsection (a);

6 (2) Obtain and total the aggregate amounts of all
7 qualified production costs per qualified production
8 and per qualified production per taxable year;

9 (3) Provide a letter to the director of taxation
10 specifying the amount of the tax credit per qualified
11 production for each taxable year that a tax credit is
12 claimed and the cumulative amount of the tax credit
13 for all years claimed; and

14 (4) Submit a report to the legislature no later than
15 twenty days prior to the convening of each regular
16 session detailing the non-aggregated qualified
17 production costs that form the basis of the tax credit
18 claims and expenditures, itemized by taxpayer[, ~~in a~~
19 ~~redacted format to preserve the confidentiality of the~~
20 ~~taxpayers claiming the credit~~].



1 Upon each determination required under this subsection, the
2 department of business, economic development, and tourism shall
3 issue a letter to the taxpayer, regarding the qualified
4 production, specifying the qualified production costs and the
5 tax credit amount qualified for in each taxable year a tax
6 credit is claimed. The taxpayer for each qualified production
7 shall file the letter with the taxpayer's tax return for the
8 qualified production to the department of taxation.

9 Notwithstanding the authority of the department of business,
10 economic development, and tourism under this section, the
11 director of taxation may audit and adjust the tax credit amount
12 to conform to the information filed by the taxpayer.

13 (j) Total tax credits claimed per qualified production
14 shall not exceed [~~\$15,000,000.~~] \$12,000,000."

15 SECTION 2. Section 235-116, Hawaii Revised Statutes, is
16 amended to read as follows:

17 "**§235-116 Disclosure of returns unlawful; penalty.** [All]

18 (a) Except as provided in subsection (b), all tax returns and
19 return information required to be filed under this chapter shall
20 be confidential, including any copy of any portion of a federal
21 return that may be attached to a state tax return, or any



1 information reflected in the copy of the federal return. [~~††~~]
2 Except as provided in subsection (b), it shall be unlawful for any
3 person, or any officer or employee of the State, including the
4 auditor or the auditor's agent with regard to tax return
5 information obtained pursuant to section 23-5(a), to make known
6 intentionally information imparted by any income tax return or
7 estimate made under sections 235-92, 235-94, 235-95, and 235-97
8 or wilfully to permit any income tax return or estimate so made
9 or copy thereof to be seen or examined by any person other than
10 the taxpayer or the taxpayer's authorized agent, persons duly
11 authorized by the State in connection with their official
12 duties, the Multistate Tax Commission or the authorized
13 representative thereof, except as otherwise provided by law.

14 (b) Subsection (a) shall not apply to the extent necessary
15 for the department to file the public disclosure required by
16 section 235-17.

17 (c) Any offense against the [~~foregoing~~] provisions in
18 subsection (a) shall be punishable as a class C felony."

19 SECTION 3. Statutory material to be repealed is bracketed
20 and stricken. New statutory material is underscored.



1 SECTION 4. This Act shall take effect on July 1, 2050, and
2 shall apply to taxable years beginning after December 31, 2020.



Report Title:

Motion Picture, Digital Media, and Film Production Income Tax Credit; DOTAX; Public Disclosure

Description:

Amends the motion picture, digital media, and film production income tax credit by reducing the cap amount per qualified production to \$12,000,000. Requires the Department of Taxation to make a public disclosure identifying the names of the taxpayers who are receiving the tax credits and the total amount of tax credit received. Establishes an exception to the general prohibition against the Department of Taxation disclosing tax returns and return information. Effective 7/1/2050. (SD2)

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