## STAND. COM. REP. NO.

Honolulu, Hawaii , 2021 MAR 05 RE: H.B. No. 1174 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-First State Legislature Regular Session of 2021 State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1174, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to:

- Amend the Motion Picture, Digital Media, and Film Production Income Tax Credit by:
  - (A) Reducing the cap amount and aggregate cap amount of the tax credit;
  - (B) Establishing a maximum amount of above-the-line costs that may be used to claim the tax credit;
  - (C) Reducing the minimum amount of qualified production costs needed to claim the tax credit;
  - (D) Requiring qualified production costs to be incurred through a qualified vendor; and
  - (E) Requiring at least seventy-five percent of a qualified production to be filmed in the State if

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the taxpayer claims a tax credit in excess of \$5,000,000 in a single taxable year; and

(2) Extend the repeal date of the Motion Picture, Digital Media, and Film Production Income Tax Credit from January 1, 2026, to January 1, 2033.

Your Committee received testimony in opposition to this measure from the Honolulu Film Office, American Federation of Musicians Local 677, and one individual. Your Committee received comments on this measure from the Department of Taxation; Department of the Attorney General; Department of Business, Economic Development, and Tourism; Office of Economic Development of the County of Kaua'i; Tax Foundation of Hawaii; Motion Picture Association, Inc.; IATSE Local 665; SAG-AFTRA Hawaii Local; and one individual.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1174, H.D. 1, and recommends that it pass Third Reading.

> Respectfully submitted on behalf of the members of the Committee on Finance,

LUKE,

State of Hawaii

House of Representatives The Thirty-first Legislature

## **Record of Votes of the Committee on Finance**

				Date: 2-25-2021		
The committee is reconsidering its previous de	cision on the measure.					
The recommendation is to: Pass, unamer Pass short for	ided (as is)	ss, with amendments ( mmit for future public				
FIN Members	Ayes	Ayes (WR)	Nays	Excused		
. LUKE, Sylvia (C)						
. CULLEN, Ty J.K. (VC)						
BRANCO, Patrick Pihana						
. ELI, Stacelynn K.M.						
. HOLT, Daniel			Charles and			
5. ILAGAN, Greggor						
. KOBAYASHI, Bertrand	1,					
. MARTEN, Lisa		-				
NISHIMOTO, Scott Y.						
0. PERRUSO, Amy A.						
1. SAYAMA, Jackson D.			<b>建筑市委</b> 建			
2. TAM, Adrian K.						
3. WILDBERGER, Tina			1	a transfer of		
4. YAMASHITA, Kyle T.						
5. McDERMOTT, Bob		1		Service and		
	0					
fo.						
TOTAL (15)	12					
The recommendation is: Adopted If joint referral,	Not Adop committee acronym	did not suppor	t recommendatio	n.		
/ice Chair's or designee's signature	s.J.t.	. c				
Distribution: Original (White) – Committee	Duplicate (Yellow)	- Chief Clerk's Office	Duplicate (	Pink) – HMSO		