A BILL FOR AN ACT

RELATING TO MOTION PICTURE, DIGITAL MEDIA, AND FILM PRODUCTION.

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 (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 (m);

7 (2) Have qualified production costs totaling at least

8 $200,000;

9 (3) Provide the State a qualified Hawaii promotion, which

10 shall be at a minimum, a shared-card, end-title screen

11 credit, where applicable;

12 (4) Provide evidence of reasonable efforts to hire local

13 talent and crew;

14 (5) Provide evidence when making any claim for products or

15 services acquired or rendered outside of this State

16 that reasonable efforts were unsuccessful to secure

1   and use comparable products or services within this

2   State;

3   (6) Provide evidence of financial or in-kind contributions

4   or educational or workforce development efforts, in

5   partnership with related local industry labor

6   organizations, educational institutions, or both,

7   toward the furtherance of the local film and

8   television and digital media industries[-]; and

9   (7) Not hire or compensate any employee of the State or

10   county whose official capacity is related to motion

11   picture, digital media, or film production for

12   services for the production, including but not limited

13   to services related to consulting, producing, or

14   performing."

15   2. By amending subsection (h) to read:

16   "(h) Every taxpayer claiming a tax credit under this

17   section for a qualified production shall, no later than ninety

18   days following the end of each taxable year in which qualified

19   production costs were expended, submit a written, sworn

20   statement to the department of business, economic development,

21   and tourism, together with a verification review by a qualified

1   certified public accountant using procedures prescribed by the

2   department of business, economic development, and tourism,

3   identifying:

4   (1)   All qualified production costs as provided by

5   subsection (a), if any, incurred in the previous

6   taxable year;

7   (2)   The amount of tax credits claimed pursuant to this

8   section, if any, in the previous taxable year; [and]

9   (3)   The number of total hires versus the number of local

10   hires by category and by county[.]; and

11   (4)   If applicable, any employee of the State or county

12   whose official capacity is related to motion picture,

13   digital media, or film production who was hired or

14   compensated for services for the qualified production,

15   including but not limited to services related to

16   consulting, producing, or performing.

17   This information may be reported from the department of

18   business, economic development, and tourism to the legislature

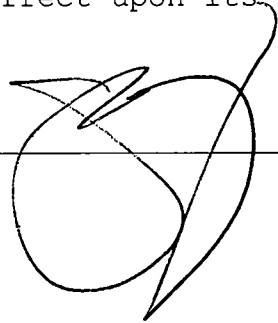19   in redacted form pursuant to subsection (i)(4)."

20   SECTION 2. Statutory material to be repealed is bracketed

21   and stricken. New statutory material is underscored.

S.B. NO. 2568

1   SECTION 3. This Act shall take effect upon its approval.

2

INTRODUCED BY: _____

S.B. NO. 2568

Report Title:
Motion Picture, Digital Media, and Film Production Tax Credit;
State or County Employee; Qualified Production

Description:
Prohibits a production from qualifying for the motion picture,
digital media, and film production tax credit if the production
hires or compensates an employee of the State or county whose
official capacity is related to motion picture, digital media,
or film production for certain services. Requires a taxpayer
claiming the tax credit to identify any such employee in the
statement submitted to DBEDT.

*The summary description of legislation appearing on this page is for informational purposes only and is
not legislation or evidence of legislative intent.*