

JAN 26 2022

A BILL FOR AN ACT

RELATING TO THE MOTION PICTURE, DIGITAL MEDIA, AND FILM
PRODUCTION INCOME TAX CREDIT.

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

1 SECTION 1. The legislature finds that the film industry in
2 Hawaii is vital to maintaining a diversified economy. The
3 Hawaii motion picture, digital media, and film production income
4 tax credit, section 235-17, Hawaii Revised Statutes, has been
5 effective in stimulating the economy, creating quality jobs for
6 our residents, and is an example of a clean, diversified
7 industry, which operates under the highest standards of
8 coronavirus disease 2019 safety protocols and has helped move
9 Hawaii into recovery since restarting in late fall last year.

10 The benefits to the State are important enough to warrant
11 an extension of the current sunset date of January 1, 2026, to
12 January 1, 2032, to make Hawaii more competitive with other U.S.
13 and global jurisdictions. An extension of the sunset date by a
14 minimum of six years would provide much-needed stability and
15 predictability for planning purposes and is essential to provide
16 long-term investment in film and media-related infrastructure.

S.B. NO. 3055

The purpose of this act is to extend the current sunset date of the motion picture, digital media, film production income tax credit.

SECTION 2. Act 88, Session Laws of Hawaii 2006, as amended by Act 89, Session Laws of Hawaii 2013, as amended by Act 143, Session Laws of Hawaii 2017, is amended by amending section 4 to read as follows:

"SECTION 4. This Act shall take effect on July 1, 2006; provided that:

(1) Section 2 of this Act shall apply to qualified production costs incurred on or after July 1, 2006, and before January 1, ~~[2026]~~ 2032; and

(2) This Act shall be repealed on January 1, ~~[2026]~~ 2032, and section 235-17, Hawaii Revised Statutes, shall be reenacted in the form in which it read on the day before the effective date of this Act."

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 Statutory material to be repealed is bracketed and stricken.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

SECTION 4. This Act shall take effect upon approval.

INTRODUCED BY: 

BY REQUEST

S.B. NO. 3055

Report Title:

Motion Picture, Digital Media, and Film Production Income Tax Credit

Description:

Extends current sunset date of the motion picture, digital media, and film production income tax credit from January 1, 2026, to January 1, 2032.

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JUSTIFICATION SHEET

DEPARTMENT: Business, Economic Development, and Tourism

TITLE: A BILL FOR AN ACT RELATING TO THE MOTION PICTURE, DIGITAL MEDIA, AND FILM PRODUCTION INCOME TAX CREDIT.

PURPOSE: To extend the current sunset date of January 1, 2026, to January 1, 2032, to maintain business certainty for production to increase, accelerate job creation, and support private sector partnerships to build film and media studio infrastructure development.

MEANS: Amend Act 143, Session Laws of Hawaii 2017, Section 3.

JUSTIFICATION: Hawaii is currently lacking in the production space necessary to handle four television and streaming series. With the current sunset date of January 1, 2026, the business certainty necessary for production planning and investment in a multi-million-dollar public, private partnership is limited. Extending the sunset date provides a baseline for industry growth, pipeline of job generation, and ability to move infrastructure projects forward, which are supported by the Legislature and the Administration.

Impact on the public: The public benefits by having a sustainable, clean industry that provides well-paying jobs to residents and provides opportunity to young creatives to pursue media careers at home.

Impact on the department and other agencies: None.

GENERAL FUND: Additional years at \$50,000,000 cap per year equal \$300,000,000 impact to general fund.

OTHER FUNDS: None.

PPBS PROGRAM
DESIGNATION:

BED 105.

OTHER AFFECTED
AGENCIES:

Department of Budget and Finance; Department
of Taxation.

EFFECTIVE DATE:

Upon approval.