

STAND. COM. REP. NO.

660

Honolulu, Hawaii

FEB 21 2023

RE: S.B. No. 795
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 795, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXES,"

begs leave to report as follows:

The purpose and intent of this measure is to provide flexibility for the motion picture, digital media, and film production income tax credit.

Specifically, this measure:

- (1) Requires that taxpayers claiming the motion picture, digital media, and film production income tax credit provide evidence of reasonable efforts to comply with the requirements under title 14, Hawaii Revised Statutes; and
- (2) Requires that taxpayers be given notice and an opportunity to cure any requirements for qualifying for the tax credit.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism; IATSE Local 665; Island Film Group; Motion Picture Association; and fourteen individuals.



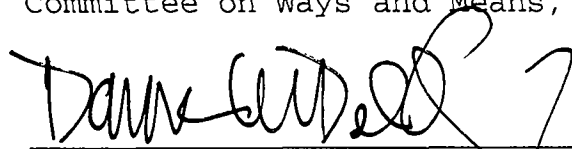
Your Committee received written comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that the language in subsections 235-17(d)(7) and (8), Hawaii Revised Statutes, added last year by section 3 of Act 217, Session Laws of Hawaii 2022, could have the effect of disqualifying a production from all of the available motion picture, digital media, and film production income tax credits because of one or a few relatively minor issues. This measure will help to ensure compliance with requirements to claim the tax credit.

Your Committee has amended this measure by clarifying that section 235-17(d), Hawaii Revised Statutes, does not waive any act required by the motion picture, digital media, and film production income tax credit law.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 795, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 795, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,

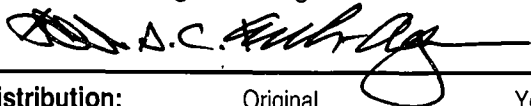


DONOVAN M. DELA CRUZ, Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB 795, SDI	Committee Referral: EET, WAM	Date: 2/15/23		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
AQUINO, Henry J.C.	X			
DECOITE, Lynn	X			
INOUYE, Lorraine R.	X			
KANUHA, Dru Mamo				X
KIDANI, Michelle N.	X			
KIM, Donna Mercado	X			
LEE, Chris				X
MORIWAKI, Sharon Y.				X
SHIMABUKURO, Maile S.L.	X			
WAKAI, Glenn	X			
FEVELLA, Kurt	X			
TOTAL	10			3
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes