STAND. COM. REP. NO. 1000 -24

Honolulu, Hawaii

MAR 0 1

, 2024

RE: H

H.B. No. 2005

H.D. 2

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-Second State Legislature Regular Session of 2024 State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2005, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXES,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Require evidence of reasonable efforts to comply with all applicable requirements under title 14, Hawaii Revised Statutes, rather than actual compliance, to qualify for the Motion Picture, Digital Media, and Film Production Income Tax Credit; and
- (2) Require taxpayers to be given notice of and an opportunity to cure any failure to meet the requirements for the Motion Picture, Digital Media, and Film Production Income Tax Credit.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; and Motion Picture Association. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee has amended this measure by deleting language that would have required productions to provide evidence of reasonable efforts to comply with all applicable requirements under title 14, Hawaii Revised Statutes, to qualify for the Motion Picture, Digital Media, and Film Production Income Tax Credit.

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. 2005, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2005, H.D. 2.

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

KYLE T. YAMASHITA, Chair

Record of Votes of the Committee on Finance

Bill/Resolution No.: Committe HD 2005, HD 1 ECD	pe Referral: Date: 02/22/2024			
H® 2005, HD 1 ECD, FIN 02/22/2024 ☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. YAMASHITA, Kyle T. (C)	V			
2. KITAGAWA, Lisa (VC)	/			
3. AIU, Micah P.K.	/			
4. CHUN, Cory M.	/			
5. COCHRAN, Elle				V
6. GARRETT, Andrew Takuya	~			
7. KAHALOA, Kirstin	V			
8. KILA, Darius K.				
9. KOBAYASHI, Bertrand	V			
10. LAMOSAO, Rachele F.	V			
11. MORIKAWA, Dee	V			
12. NISHIMOTO, Scott Y.				
13. POEPOE, Mahina	V			
14. TAKENOUCHI, Jenna				
15. ALCOS III, David	V			
16. WARD, Gene				
TOTAL (16)	1 42	12	()	
	14			2
The recommendation is: Adopted If joint referral, committee acronym(s) Not Adopted did not support recommendation.				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				