

Honolulu, Hawaii

APR 25 2024

RE: S.B. No. 795
S.D. 2
H.D. 1
C.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

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

Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 795, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXES,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to:

- (1) Require productions to provide evidence of reasonable efforts to comply with all applicable requirements to qualify for the Motion Picture, Digital Media, and Film Production Income Tax Credit; and
- (2) Require taxpayers be given notice of and an opportunity to cure requirements for the Motion Picture, Digital Media, and Film Production Income Tax Credit within thirty days of receiving the notice.



Your Committee on Conference finds that the Motion Picture, Digital Media, and Film Production Income Tax Credit program has resulted in a thriving film and digital media industry that has broadened the State's tax base and helped to strengthen the State's economy. Recent amendments to the program, however, could have the effect of disqualifying a production from all available tax credits due to one or a few minor issues with its compliance requirements. This measure will help continue to create high-paying jobs and allow the State to remain a successful production center in the Pacific by ensuring that productions will not be at risk of being found non-compliant with the tax credit requirements over minor technical issues and provide taxpayers an opportunity to cure compliance issues, should they arise.

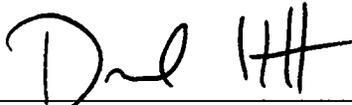
Your Committee on Conference has amended this measure by inserting an effective date of January 1, 2025.

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

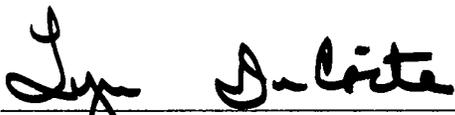
Respectfully submitted on behalf of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE



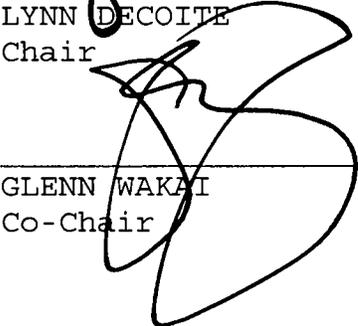
 DANIEL HOLT
 Co-Chair



 LYNN DECOITE
 Chair



 RACHELE LAMOSIO
 Co-Chair



 GLENN WAKAI
 Co-Chair



Record of Votes of a
Conference Committee

Bill / Concurrent Resolution No.: SB 795, SD 2, HD 1	Date/Time: 4/24/24 9:36 am
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The recommendation of the House and Senate managers is to pass with amendments (CD).

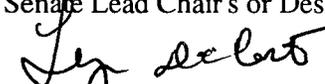
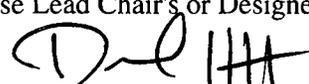
The Committee is reconsidering its previous decision.

<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure	<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.
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Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
DECOITE, Lynn, Chr.	✓				HOLT, Daniel, Co-Chr.	✓			
WAKAI, Glenn, Co-Chr.	✓				LAMOSAO, Rachele F., Co-Chr.	✓			
FEVELLA, Kurt	✓				KITAGAWA, Lisa	✓			
					PIERICK, Elijah				✓
TOTAL	3	0	0	0	TOTAL	3	0	0	1

A = Aye WR = Aye with Reservations N = Nay E = Excused

Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted	House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted
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Senate Lead Chair's or Designee's Signature: 	House Lead Chair's or Designee's Signature: 
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Distribution: **Original** **Yellow** **Pink** **Goldenrod**
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