STAND. COM. REP. NO. 400 Honolulu, Hawaii , 2023 FEB 15 H.B. No. 1314 RE:

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H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-Second State Legislature Regular Session of 2023 State of Hawaii

Sir:

Your Committee on Economic Development, to which was referred H.B. No. 1314 entitled:

"A BILL FOR AN ACT RELATING TO TAXES,"

begs leave to report as follows:

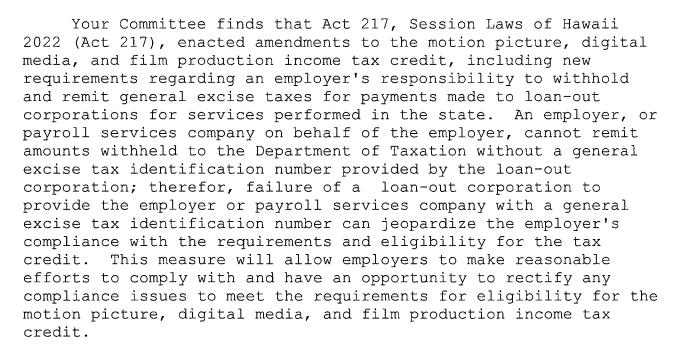
The purpose of this measure is to:

- (1) Require productions to provide evidence of reasonable efforts to comply, rather than actually 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 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; Honolulu Film Office of the City and County of Honolulu; and Motion Picture Association. Your Committee received comments on this measure from the Department of Taxation, University of Hawai'i System, Tax Foundation of Hawaii, IATSE Local 665, and Island Film Group.



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Your Committee has amended this measure by:

- (1) Clarifying that the requirements to qualify for the motion picture, digital media, and film production income tax credit, including provisions on notice of and opportunity to cure any failure to meet the requirements for the tax credit, are not to be interpreted as waiving any requirement or extending the time to perform any act required for the tax credit;
- (2) Changing its effective date to June 30, 3000, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1314, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1314, H.D. 1, and be referred to your Committee on Finance.



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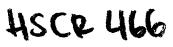
Respectfully submitted on behalf of the members of the Committee on Economic Development,

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DANIEL HOLT, Chair



State of Hawaii House of Representatives The Thirty-second Legislature



## **Record of Votes of the Committee on Economic Development**

Bill/Resolution No.: HB1314	mittee Referral: ECD, FIN	Date		823
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)				
ECD Members	Ayes	Ayes (WR)	Nays	Excused
1. HOLT, Daniel (C)				
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2. LAMOSAO, Rachele F. (VC)				
3. HUSSEY-BURDICK, Natalia				
4. KONG, Sam Satoru		an ann an		
			regeneration and a second s	
5. NAKAMURA, Nadine K.			ta di Malanda	
6. QUINLAN, Sean			niste fil di <u>Xal</u>	
7. PIERICK, Elijah		taritiinna arta oʻr musimas digʻida St	a kolomoto na sesteta de se de se	and a second provide a second seco
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TOTAL (7)	<u> </u>		0	
The recommendation is: Image: Adopted image: Adopt				
Vice Chair's or designee's signature: Arthur				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				