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# A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. Section 235-17, Hawaii Revised Statutes, is  
2 amended by amending subsection (d) to read as follows:

3 "(d) To qualify for this tax credit, a production shall:

4 (1) Meet the definition of a qualified production  
5 specified in subsection (o);

6 (2) Have qualified production costs totaling at least  
7 \$100,000;

8 (3) Complete at least fifteen per cent of the  
9 production's:

10 (A) Principal photography in the State within the  
11 same taxable year the production qualifies for  
12 the tax credit; and

13 (B) Post-production in the State within the same  
14 taxable year the production qualifies for the tax  
15 credit; provided that a production may satisfy  
16 the post-production requirement under this  
17 subparagraph if the production is unable to



1                   complete fifteen per cent of the post-production  
 2                   in the same taxable year the production otherwise  
 3                   qualifies for the tax credit and commits to  
 4                   completing the post-production requirement in  
 5                   later taxable years.

6       ~~[-3-]~~ (4) Provide the State a qualified Hawaii promotion,  
 7                   which shall be at a minimum, a shared-card, end-title  
 8                   screen credit, where applicable;

9       ~~[-4-]~~ (5) Provide evidence of reasonable efforts to hire  
 10                  local talent and crew;

11       ~~[-5-]~~ (6) Provide evidence when making any claim for  
 12                  products or services acquired or rendered outside of  
 13                  this State that reasonable efforts were unsuccessful  
 14                  to secure and use comparable products or services  
 15                  within this State;

16       ~~[-6-]~~ (7) Provide evidence of financial or in-kind  
 17                  contributions or educational or workforce development  
 18                  efforts, in partnership with related local industry  
 19                  labor organizations, educational institutions, or  
 20                  both, toward the furtherance of the local film and  
 21                  television and digital media industries;



1        [~~7~~] (8) Provide evidence of reasonable efforts to comply  
2                    with all applicable requirements under title 14,  
3                    including tax return filing and payments; and  
4        [~~8~~] (9) Provide complete responses to the department of  
5                    taxation's inquiries and document requests, in the  
6                    form prescribed by the department, no later than  
7                    ninety days from the inquiry or request;  
8 provided that a taxpayer shall be given notice of and an  
9 opportunity to cure any failure to meet the requirements of this  
10 subsection, including chapter 237, within thirty days of receipt  
11 of the notice; provided further that nothing in this subsection  
12 shall be interpreted as waiving any act required by this  
13 section."

14        SECTION 2. Statutory material to be repealed is bracketed  
15 and stricken. New statutory material is underscored.

16        SECTION 3. This Act shall take effect on July 1, 3000, and  
17 shall apply to taxable years beginning after December 31, 2026;  
18 provided that on January 1, 2033, section 1 of this Act shall be  
19 repealed to coincide with the repeal date of Act 88, Session  
20 Laws of Hawaii 2006, as amended by Act 89, Session Laws of  
21 Hawaii 2013, as amended by Act 143, Session Laws of Hawaii 2017,



1 as amended by Act 217, Session Laws of Hawaii 2022, and section  
2 235-17, Hawaii Revised Statutes, shall be reenacted in the form  
3 in which it read on the day before the effective date of Act 88,  
4 Session Laws of Hawaii 2006.



**Report Title:**

Motion Picture, Digital Media, and Film Production Income Tax Credit; Qualifications; Principal Photography; Post-production

**Description:**

Amends the requirements for productions to qualify for the Motion Picture, Digital Media, and Film Production Income Tax to include completing at least fifteen per cent of the production's principal photography within the same taxable year the production is qualifying for the film tax credit and completing or committing to complete fifteen per cent of the production's post-production in the State within the same taxable year the production is qualifying for the film tax credit or later taxable years. Applies to taxable years beginning after 12/31/2026. Repeals 1/1/2033. Effective 7/1/3000. (HD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

