
A BILL FOR AN ACT

RELATING TO THE FILM INDUSTRY.

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

1 SECTION 1. The legislature finds that the practice of
2 vertical filming, which refers to films and videos shot in a
3 vertical orientation, has grown in popularity in recent years.
4 The legislature further finds that capitalizing on the growing
5 popularity of vertical filming could help ensure that Hawaii's
6 film industry remains competitive and at the forefront of
7 emerging trends. The legislature recognizes that there is a
8 need to increase funding available to support the film industry,
9 particularly through the Hawaii film and creative industries
10 development special fund. The legislature also finds that the
11 Hawaii film and creative industries development special fund
12 receives funding through a fee collected from taxpayers claiming
13 the motion picture, digital media, and film production income
14 tax credit. Increasing this fee amount would create additional
15 funding, which could be used to support vertical filming in the
16 State by supporting set building, grant distribution, training,



1 workforce development, equipment access, and networking
2 opportunities.

3 Accordingly, the purpose of this Act is to:

4 (1) Increase the fee collected from taxpayers claiming the
5 motion picture, digital media, and film production
6 income tax credit and require a portion of funds
7 collected to be used to support the vertical film
8 industry in the State; and

9 (2) Expand the funding sources of the Hawaii film and
10 creative industries development special fund to
11 include revenues received by the department of
12 business, economic development, and tourism from
13 managing the Hawaii film studio.

14 SECTION 2. Section 201-113, Hawaii Revised Statutes, is
15 amended by amending subsection (a) to read as follows:

16 "(a) There is established in the state treasury the Hawaii
17 film and creative industries development special fund into which
18 shall be deposited:

19 (1) Appropriations by the legislature;



- 1 (2) Donations and contributions made by private
- 2 individuals or organizations for deposit into the
- 3 fund;
- 4 (3) Grants provided by governmental agencies or any other
- 5 source;
- 6 (4) Effective January 2, 2023, all revenues, fees, and
- 7 charges from the processing of the motion picture,
- 8 digital media, and film production income tax credit
- 9 pursuant to section 235-17; provided that eighty per
- 10 cent of the funds collected pursuant to section
- 11 235-17(k) shall be expended to support the vertical
- 12 film industry in the State; and
- 13 (5) [~~Effective July 1, 2022, all existing and future~~] All
- 14 revenues, fees, and income received by the department
- 15 from its management of public facilities that support
- 16 media and entertainment workforce and business
- 17 development, [~~with the exception of~~] including the
- 18 Hawaii film studio.

19 For the purposes of this subsection, "vertical film" means
 20 video content shot and presented in a portrait orientation with



1 an image that is taller than it is wide, typically intended to
2 be viewed on a smartphone screen."

3 SECTION 3. Section 235-17, Hawaii Revised Statutes, is
4 amended by amending subsection (k) to read as follows:

5 "(k) Each taxpayer claiming a tax credit under this
6 section shall submit to the department of business, economic
7 development, and tourism a fee for the motion picture, digital
8 media, and film production income tax credit in an amount equal
9 to [~~0.2~~] one per cent of the tax credit claimed by the qualified
10 production no later than the deadline stated in subsection (c).
11 The department of business, economic development, and tourism
12 may prescribe the form and method by which this fee is remitted,
13 including through electronic means. The fees collected under
14 this subsection shall be deposited into the Hawaii film and
15 creative industries development special fund under section 201-
16 113."

17 SECTION 4. Statutory material to be repealed is bracketed
18 and stricken. New statutory material is underscored.

19 SECTION 5. This Act shall take effect on July 1, 3000, and
20 shall apply to taxable years beginning after December 31, 2026;
21 provided that on January 1, 2033:



- 1 (1) Section 2 of this Act shall be repealed and section
2 201-113, Hawaii Revised Statutes, shall be reenacted
3 in the form in which it read on the day prior to the
4 effective date of this Act; and
- 5 (2) Section 3 of this Act shall be repealed to coincide
6 with the repeal date of Act 88, Session Laws of Hawaii
7 2006, as amended by Act 89, Session Laws of Hawaii
8 2013, as amended by Act 143, Session Laws of Hawaii
9 2017, as amended by Act 217, Session Laws of Hawaii
10 2022, and section 235-17, Hawaii Revised Statutes,
11 shall be reenacted in the form in which it read on the
12 day before the effective date of Act 88, Session Laws
13 of Hawaii 2006.



Report Title:

Vertical Filming; Motion Picture, Digital Media, and Film Production Income Tax Credit; Hawaii Film and Creative Industries Development Special Fund; Fees; Hawaii Film Studio

Description:

Increases the fee amount collected from taxpayers claiming the Motion Picture, Digital Media, and Film Production Income Tax Credit and requires a portion of funds collected to be used to support the vertical film industry in the State. Expands the funding sources of the Hawaii Film and Creative Industries Development Special Fund to include revenues received by the Department of Business, Economic Development, and Tourism from managing the Hawaii Film Studio. 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.

