
A BILL FOR AN ACT

RELATING TO DIGITAL MEDIA.

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 (e) to read as follows:

3 "(e) Claims for credit under this section shall be subject
4 to the following limitations:

5 (1) On or after July 1, 2006, no qualified production cost
6 that has been financed by investments for which a
7 credit was claimed by any taxpayer pursuant to section
8 235-110.9 is eligible for credits under this section.

9 (2) Qualified production costs that are financed by public
10 funds from the State shall not be eligible for credits
11 under this section; and

12 (3) After June 30, 2008, no taxpayer shall be eligible to
13 claim the tax credit under this section for qualified
14 productions that are financed, in whole or in part, by
15 investments for which a credit has been claimed by the
16 taxpayer as a qualified high technology business under
17 section 235-110.9. If a claim for credit is made



1 under this section after June 30, 2008, the taxpayer
2 shall no longer qualify for the credit under section
3 235-110.9 and any credit that has been claimed under
4 that section shall be subject to recapture under
5 section 235-110.9(i)."

6 SECTION 2. (a) The department of labor and industrial
7 relations shall establish an advisory group consisting of
8 members from the University of Hawaii, including the community
9 colleges and the academy of creative media, the Hawaii film
10 office, and trade unions, to conduct a study on the issues
11 relating to the hiring practices of motion picture, digital
12 media, and film productions in Hawaii; provided that the study
13 include specific consideration of ways to promote local hiring.

14 (b) The advisory group shall submit a report on its
15 findings and recommendations to the legislature no later than
16 twenty days prior to the convening of the regular session of
17 2009.

18 SECTION 3. There is appropriated out of the general
19 revenues of the State of Hawaii the sum of \$ or so
20 much thereof as may be necessary for fiscal year 2008-2009 for
21 expenses related to the study carried out by the advisory group
22 in Section 2.

1 The sum appropriated shall be expended by the department of
2 labor and industrial relations for the purposes of this Act.

3 SECTION 4. New statutory material is underscored.

4 SECTION 5. This Act shall take effect on July 1, 2025.



Report Title:

Digital Media; Tax Credit; Appropriation

Description:

Prohibits taxpayers from claiming the Motion Picture, Digital Media, and Film Production Tax Credit for qualified productions that are financed by investments for which a credit has been claimed under the High Technology Business Investment Tax Credit. Establishes an advisory group to study issues in hiring local talent for the film industry, with specific consideration for promoting local hiring. (SB2273 HD1)

