

STAND. COM. REP. NO.

2766

Honolulu, Hawaii

FEB 29 2008

RE: S.B. No. 2273
S.D. 2

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 2273, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO DIGITAL MEDIA,"

begs leave to report as follows:

The purpose of this measure is to expand the income tax credit for motion picture and film production.

Specifically, this measure authorizes an additional five per cent tax credit for qualified production costs in any county, provided that the qualified production meets certain requirements relating to the employment, wages, and training of Hawaii residents.

Additionally, this measure authorizes the Department of Labor and Industrial Relations to implement and operate motion picture, digital media, and film production training programs. This measure specifies that funds from the employment and training fund may be used to support the programs but that the Director of Labor and Industrial Relations may not require employers in general to make contributions to the fund for those programs. Furthermore, this measure appropriates funds to the Department of Labor and Industrial Relations for development and implementation of training programs and the Department of Business, Economic Development, and Tourism for training approval and certification by the film industry branch.



Your Committee received testimony in support of this measure from a concerned citizen. Testimony in opposition to this measure was received from the Department of Business, Economic Development, and Tourism, the Department of Labor and Industrial Relations, and the Hawaii Film and Entertainment Board. Comments on the measure were received from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that the additional tax credits created under this measure will promote the local growth of the motion picture and film production industry and increase and diversify employment opportunities for Hawaii residents.

Your Committee has amended this measure by specifying use of the industry standard to calculate the employee's minimum base rate of \$200 per day and making technical, nonsubstantive amendments for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2273, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2273, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


ROSALYN H. BAKER, Chair



The Senate
Twenty-Fourth Legislature
State of Hawaii

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
<i>SB2273, SD1</i>	<i>EDT, WAM</i>	<i>2/25/08</i>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313		
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	/			
TSUTSUI, Shan S. (VC)	/			
CHUN OAKLAND, Suzanne	/			
ENGLISH, J. Kalani	/			#31
FUKUNAGA, Carol	/			
HOOSER, Gary L.	/			
INOUYE, Lorraine R.				/
KIM, Donna Mercado		/		
MENOR, Ron	/			
TOKUDA, Jill N.	/			
HEMMINGS, Fred	/			
WHALEN, Paul	/			
TOTAL	<i>10</i>	<i>1</i>	<i>0</i>	<i>1</i>
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes