

STAND. COM. REP. NO.

718

Honolulu, Hawaii

MAR 04 2011

RE: S.B. No. 318
S.D. 2

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 318, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO BUSINESS DEVELOPMENT IN HAWAII,"

begs leave to report as follows:

The purpose and intent of this measure is to appropriate funds to the Department of Business, Economic Development, and Tourism to update the 2008 report "Innovation and Technology in Hawaii: An Economic & Workforce Profile."

Your Committee conducted a public decision making on a proposed draft of this measure, which encourages business development in Hawaii through the growth of the film industry, by providing enhanced incentives to attract more film and television productions to Hawaii, thereby generating increased tax revenues.

More specifically, the proposed draft:

- (1) Amends the motion picture, digital media, and film production tax credits to increase the tax credits to unspecified percentages and dollar amounts;
- (2) Provides additional nonrefundable tax credits for qualified media infrastructure projects;



- (3) Establishes a qualified local crew training program rebate equal to an unspecified percentage of the hourly wages of each resident participant in the program;
- (4) Provides an additional tax credit for qualified special or visual effects and animation production costs; and
- (5) Raises the tax credit caps to unspecified amounts.

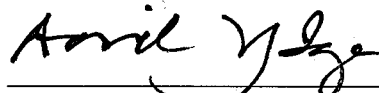
Your Committee received comments in support of the proposed draft from President William Jefferson Clinton; the Hawaii Carpenters Union; Ryan Kavanaugh, CEO, Relativity Media, LLC; and three individuals. Your Committee received comments on the proposed draft from Richard C. Lim, Interim Director, Department of Business, Economic Development, and Tourism; and the Tax Foundation of Hawaii.

Your Committee finds that business development in the State would benefit from an expansion of the local film and television industry. Your Committee believes that the ideas and programs set forth in the proposed draft have the potential to foster such expansion and stimulate the state economy.

Your Committee has amended this measure by replacing its contents with the contents of the proposed draft.

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. 318, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 318, S.D. 2.

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



DAVID Y. IGE, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 318 SD1	EDT, WAM	3-1-11		
<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
IGE, David Y. (C)	/			
KIDANI, Michelle N. (VC)	/			
CHUN OAKLAND, Suzanne	/			
DELA CRUZ, Donovan M.				/
ENGLISH, J. Kalani	/			
ESPERO, Will	/			
FUKUNAGA, Carol	/			
KIM, Donna Mercado	/			
KAHELE, Gilbert	/			
KOUCHI, Ronald D.	/			
RYAN, Pohai	/			
TOKUDA, Jill N.	/			
WAKAI, Glenn	/			
SLOM, Sam			/	
TOTAL	12	0	1	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Michelle N. Kidani</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes