

Honolulu, Hawaii
March 4, 2016

RE: H.B. No. 2610
H.D. 2

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2610, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO INCOME TAX CREDITS,"

begs leave to report as follows:

The purpose of this measure is to amend the qualifications for receipt of the motion picture, digital media, and film production income tax credit to require a production to:

- (1) Hire at least 60 percent of the production's talent and crew, with some exceptions, from the county in which the qualified production costs were incurred; and
- (2) Verify the county of residency of local hires in the sworn statement to the Department of Business, Economic Development, and Tourism for each taxable year in which qualified production costs are expended.

The Office of the Mayor of the County of Hawaii and several individuals testified in support of this measure. The Department of Taxation; Department of Business, Economic Development, and Tourism; Tax Foundation of Hawaii; SAG-AFTRA Hawaii Local; Brand Starks Photography, LLC; and an individual commented on this measure.

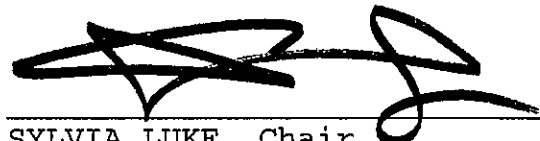
Your Committee has amended this measure by:



- (1) Changing the requirement that 60 percent of the production's talent and crew, with certain exceptions, be from the county in which the qualified production costs were incurred to an unspecified percentage;
- (2) Changing its effective date to July 1, 2030, to facilitate further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2610, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2610, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



SYLVIA LUKE, Chair



