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# A BILL FOR AN ACT

RELATING TO MOTION PICTURE, DIGITAL MEDIA, AND FILM PRODUCTION.

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

1           SECTION 1. Section 235-17, Hawaii Revised Statutes, is  
2 amended as follows:

3           1. By amending subsection (d) to read:

4           "(d) To qualify for this tax credit, a production shall:

5           (1) Meet the definition of a qualified production  
6                 specified in subsection (m);

7           (2) Have qualified production costs totaling at least  
8                 \$200,000;

9           (3) Provide the State a qualified Hawaii promotion, which  
10                 shall be at a minimum, a shared-card, end-title screen  
11                 credit, where applicable;

12           (4) Provide evidence of reasonable efforts to hire local  
13                 talent and crew;

14           (5) Provide evidence when making any claim for products or  
15                 services acquired or rendered outside of this State  
16                 that reasonable efforts were unsuccessful to secure



1           and use comparable products or services within this  
2           State;  
3           (6) Provide evidence of financial or in-kind contributions  
4           or educational or workforce development efforts, in  
5           partnership with related local industry labor  
6           organizations, educational institutions, or both,  
7           toward the furtherance of the local film and  
8           television and digital media industries[-]; and  
9           (7) Not hire or compensate any employee of the State or  
10           county whose official capacity is related to motion  
11           picture, digital media, or film production for  
12           services for the production, including but not limited  
13           to services related to consulting, producing, or  
14           performing."

15           2. By amending subsection (h) to read:  
16           "(h) Every taxpayer claiming a tax credit under this  
17           section for a qualified production shall, no later than ninety  
18           days following the end of each taxable year in which qualified  
19           production costs were expended, submit a written, sworn  
20           statement to the department of business, economic development,  
21           and tourism, together with a verification review by a qualified

1 certified public accountant using procedures prescribed by the  
2 department of business, economic development, and tourism,  
3 identifying:

- 4 (1) All qualified production costs as provided by  
5 subsection (a), if any, incurred in the previous  
6 taxable year;
- 7 (2) The amount of tax credits claimed pursuant to this  
8 section, if any, in the previous taxable year; [~~and~~]
- 9 (3) The number of total hires versus the number of local  
10 hires by category and by county[~~-~~]; and
- 11 (4) If applicable, any employee of the State or county  
12 whose official capacity is related to motion picture,  
13 digital media, or film production who was hired or  
14 compensated for services for the qualified production,  
15 including but not limited to services related to  
16 consulting, producing, or performing.

17 This information may be reported from the department of  
18 business, economic development, and tourism to the legislature  
19 in redacted form pursuant to subsection (i)(4)."

20 SECTION 2. Statutory material to be repealed is bracketed  
21 and stricken. New statutory material is underscored.



# H.B. NO. 1495

1 SECTION 3. This Act shall take effect upon its approval.

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INTRODUCED BY: SG

JAN 18 2022



# H.B. NO. 1495

**Report Title:**

Motion Picture, Digital Media, and Film Production Tax Credit;  
State or County Employee; Qualified Production

**Description:**

Prohibits a production from qualifying for the motion picture, digital media, and film production tax credit if the production hires or compensates an employee of the State or county whose official capacity is related to motion picture, digital media, or film production for certain services. Requires a taxpayer claiming the tax credit to identify any such employee in the statement submitted to DBEDT.

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