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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 issuing  
11 film permits or facilitating film production."

12 2. By amending subsection (h) to read:

13 "(h) Every taxpayer claiming a tax credit under this  
14 section for a qualified production shall, no later than ninety  
15 days following the end of each taxable year in which qualified  
16 production costs were expended, submit a written, sworn  
17 statement to the department of business, economic development,  
18 and tourism, together with a verification review by a qualified  
19 certified public accountant using procedures prescribed by the  
20 department of business, economic development, and tourism,  
21 identifying:



- 1 (1) All qualified production costs as provided by
- 2 subsection (a), if any, incurred in the previous
- 3 taxable year;
- 4 (2) The amount of tax credits claimed pursuant to this
- 5 section, if any, in the previous taxable year; [~~and~~]
- 6 (3) The number of total hires versus the number of local
- 7 hires by category and by county~~[=]~~; and
- 8 (4) If applicable, any employee of the State or county
- 9 whose official capacity is related to issuing film
- 10 permits or facilitating film production.

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

14 SECTION 2. Statutory material to be repealed is bracketed  
 15 and stricken. New statutory material is underscored.

16 SECTION 3. This Act, upon its approval, shall apply to  
 17 taxable years beginning after December 31, 2021.

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**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 issuing film permits or facilitating film production. Requires a taxpayer claiming the tax credit to identify any such employee in the statement submitted to DBEDT. (HD1)

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