Written Testimony Presented to the
House Committee on Economic Development & Business
Wednesday, February 5, 2020 at 9:35 a.m.
by
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HB 2075 - RELATING TO FILM TAX CREDIT

Chair McKelvey, Vice Chair Kitagawa and Members of the Committee:

The University of Hawai'i (UH) supports the intent of this measure, with reservations.

The Film Production Income Tax Credit is a valuable incentive that encourages a continuous pipeline of film production in Hawai'i and supports a vibrant diversified industry for the state.

House Bill 2075 proposes to increase the allowable annual cap for the Film Production Income Tax Credit from \$50,000,000 to \$70,000,000. The cap was raised to \$50,000,000 in 2019, the result of Act 275 in the same year.

However, Act 275, Session Laws of Hawai'i (SLH) 2019, included language in Section 3, that land at UH-West O'ahu should be transferred from UH to Hawai'i Technology Development Corporation for the development of a film production studio. The University of Hawai'i has been working with the Governor's Office and the Department of Business Economic Development & Tourism on a "best approach" towards the development of a film production studio. As a result, UH will be taking the lead at finding an appropriate studio developer.

Therefore, UH recommends that Section 3 from Act 275, SLH 2019, be repealed as part of any revision to the Film Production Income Tax Credit.

Thank you for the opportunity to testify on this measure.