



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Written Testimony Presented to the
Senate Committee on Energy, Economic Development, and Tourism
Friday, January 28, 2022 at 3:00 p.m.

by

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on behalf of

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SB 2079 – RELATING TO TAXES

Chair Wakai, Vice Chair Misalucha, and Members of the Committee:

The University of Hawai'i (UH) supports the intent of SB 2079 to enhance Hawai'i's successful motion picture/television/streaming production industry with changes to the current film production tax credit. In particular, UH strongly supports the extension of the sunset date of the credit from December 31, 2025 to December 31, 3032. A stable, reliable credit is essential to continuing the growth of this vital diversification of Hawai'i's economy. While numbers are not finalized, 2021 is likely to be another record year of positive impact for the local economy, with a direct spend of over \$400 million.

Hawai'i's Motion Picture, Digital Media and Film Production Tax Credit has been a success, as noted by economists Sumner La Croix and James Mak in their March 2021 UHERO report, *Understanding the Role of the Hawaii Film/TV/Digital Production Tax Credit In Diversifying the Hawaii Economy*: "Since the passage of the film credit in 2006, spending in Hawai'i on TV/film productions has soared, with inflation-adjusted spending increasing by 116 percent between 2007 (\$164.5 million) and 2019 (\$355.6 million). This is much larger than the overall increase in Hawai'i real gross domestic product over the same period, a modest 17 percent."

Thanks to the foundational and continuing support of the Legislature, UH's Academy for Creative Media has graduated hundreds of students contributing to the state's creative economy with locally based living wage jobs. Most recently, UH Mānoa ACM graduate Alike Maikau debuted his first feature film, *Every Day in Kaimuki* at the Sundance Film Festival -- the most competitive film festival in the world. This is the second year in a row that an ACM graduate premiered a Hawai'i-made feature at Sundance following Christopher Makoto Yogi's *I Was A Simple Man* -- a film which *The New Yorker's* film critic Richard Brody declared the fourth best film of the year. ACM graduates are garnering global recognition while making a difference at home both creatively and in terms of the economy.

Thank you for the opportunity to testify today.