



UNIVERSITY OF HAWAII SYSTEM

‘ŌNAEHANA KULANUI O HAWAII

Legislative Testimony

Hō'ike Mana'o I Mua O Ka 'Aha'ōlelo

Testimony Presented to the
Senate Committee on Energy, Economic Development, and Tourism
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by

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on behalf of

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SB 1495 – RELATING TO THE MOTION PICTURE, DIGITAL MEDIA, AND FILM PRODUCTION INCOME TAX CREDIT

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

The University of Hawai'i (UH) supports the intent of SB 1495 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 raising the current annual cap from \$50,000,000, as well as the measure's recognition of the differences in the number of usual episodes between a broadcast television series and a streaming series. While the latter usually has fewer episodes per season, the actual amount spent per episode and cumulatively in the state can be significantly higher and therefore a net positive for Hawai'i's economy.

A stable, reliable credit is essential to continuing the growth of this vital diversification of state's economy. The Hawai'i's Film Production Tax Credit has been a success. As Sumner La Croix and James Mak concluded 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, the Academy for Creative Media at UH now supports 16 programs across all ten campuses. Students and graduates from ACM on every island are contributing to the creative economy with living wage jobs here in Hawai'i. SB 1495 will help to keep them here and contribute to diversification of the state's economy.

Thank you for the opportunity to testify today.