



UNIVERSITY OF HAWAII SYSTEM

‘ŌNAEHANA KULANUI O HAWAII

Legislative Testimony

Hō'ike Mana'o I Mua O Ka 'Aha'ōlelo

Testimony Presented Before the
Senate Committee on Ways and Means
Wednesday, February 26, 2025 at 10:03 a.m.

by

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on behalf of

Vassilis L. Syrmos, Vice President for Research and Innovation
University of Hawai'i System

SB 732 SD1 – RELATING TO THE FILM INDUSTRY

Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee:

The University of Hawai'i (UH) supports the intent of SB 732 SD1.

As Hollywood has moved more and more shows overseas where the incentives exceed our own and the currency exchange rates make us far less competitive than we were five years ago, it is important for the state to continue to support this vital industry. This measure seeks to enhance and sustain the state's existing production tax credits which are essential for workforce development, a diversified economy, and to ensure jobs for our many graduates in the production industry.

The third-party CPA requirement for productions over \$1 million is a common sense approach for addressing any concerns about tax credit abuse. Increasing the overall tax credit cap to \$60 million is warranted by the inflation rate alone, as the current cap of \$50 million set in 2019, restricts the number of projects considering coming to Hawai'i with our inherently higher production costs.

Defining "streaming platform" is essential given the changes in technology and how shows and films are delivered directly to the consumer. By recognizing that most streaming shows have six, eight or 10 episodes per season and much higher production budgets than the outdated 20-episode season definition -- means that \$100 million blockbusters like *Chief of War*, might have had a better chance of staying in Hawai'i instead of shooting primarily in New Zealand.

Thank you.