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**DEPARTMENT OF TAXATION**
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December 20, 2019

# TAX INFORMATION RELEASE NO. 2019-04 (Revised)

RE: Mandatory Verification Review (Agreed Upon Procedures Report) for the Motion Picture, Digital Media, and Film Production Income Tax Credit

## I. BACKGROUND

Section 235-17, Hawaii Revised Statute (HRS), provides a refundable motion picture, digital media, and film production income tax credit (film credit) to qualified productions for qualified production costs incurred in the State of Hawaii (Hawaii). The amount of the film credit is 20% of qualified production costs incurred the in the City and County of Honolulu and 25% of qualified production costs incurred in any other county.

Section 6 of Act 143, Session Laws of Hawaii 2017, and section 235-17(h), HRS, require every taxpayer claiming the film credit to submit to the Hawaii Film Office a production report and a verification review. The verification review and the production report must be submitted no later than 90 days following the end of the calendar year in which the qualified production costs were incurred.

Administrative rules governing the film credit were adopted and became effective on November 17, 2019. Under section 18-235-17-14, Hawaii Administrative Rules (HAR), a verification review is defined as an agreed-upon procedures report (AUPR) prepared by a qualified certified public accountant (QCPA). The main purpose of the verification review is to ensure that claims for the film credit are proper under section 235-17, HRS, and applicable administrative rules. The purpose of this Tax Information Release (TIR) is to clarify details regarding the requirements of the AUPR.

A sample AUPR is attached to this TIR beginning at page 6. The AUPR does not need to follow this format exactly; however, to expedite processing and allocation, please follow the format as closely as possible. The figures used in the sample were generated for the purpose of illustration, are not related in any way to any specific production, and are therefore not confidential taxpayer information.

## II. GENERAL REQUIREMENTS

a. The AUPR shall:
   i. Be prepared by a QCPA who:
      1. Is licensed in the State of Hawaii;
      2. Is registered with the Hawaii State Board of Accountancy;
      3. Has a current valid permit to practice;

4. Is in good standing to provide accounting services; and
5. Does not have an ownership or pecuniary interest in the taxpayer or the production;

ii. Contain the following:
1. QCPA's name, address, and telephone number;
2. QCPA's license number issued by the Professional & Vocational Licensing Division of the Hawaii Department of Commerce and Consumer Affairs, license status, and license expiration date;
3. A statement signed by the QCPA under the penalty of perjury stating that he or she does not have an ownership or other pecuniary interest in the taxpayer or the production and that he or she is qualified to produce the AUPR under section 235-17, HRS, and its administrative rules;
4. Name of the Production Company (taxpayer);
5. Name of the Project; and
6. Date that the AUPR was completed;

iii. Be based on agreed-upon procedures conducted in accordance with attestation standards as defined by the American Institute of Certified Public Accountants in AT-C Section 215, *Agreed-Upon Procedures Engagements*;

iv. Be presented in United States dollars (USD). If production costs were paid in foreign currency, the conversion rate to USD on the date that the cost was incurred must be used to convert the cost from the foreign currency to USD;

v. Be prepared for all taxpayers on a calendar year basis;
1. For calendar year taxpayers, the first AUPR shall cover the production costs incurred from January 1 to December 31 of 2019.
2. For fiscal year taxpayers, the first AUPR shall cover the first day of the tax year to December 31, 2019. Subsequent AUPRs shall cover January 1 to December 31 of the appropriate year, as if the fiscal year taxpayer were a calendar year taxpayer.

vi. State separately the:
1. Amount of qualified production costs asserted by the qualified production that were incurred in the City and County of Honolulu;
2. Amount of qualified production costs asserted by the qualified production that were incurred in any county other than the City and County of Honolulu;
3. Exceptions found in selected sample(s) for:
   a. Transactions with a value of $10,000 or more; and
   b. Transactions with a value of less than $10,000; and
4. Total asserted qualified production costs not tested.

vii. Provide a detailed explanation and/or list of the:
1. Procedures performed to produce the AUPR;
2. Sampling method if one was used; and
3. Exceptions found by exception type.

## III. PROCEDURES

a. Required documentation.
   i. The QCPA shall obtain a sworn statement signed by the taxpayer under the penalty of perjury and containing the following statement:
      1. "I declare, under the penalties set forth in section 231-36, HRS, that the information furnished for the purpose of producing this Verification Review has been examined by me and, to the best of my knowledge and belief, it is true and correct for the calendar year stated, pursuant to the Hawaii Income Tax Law, Chapter 235, HRS."
   ii. For the purpose of verifying expenditures, the QCPA shall obtain a:
      1. Detailed expenditure report as described in section 18-235-17-03(b)(3), HAR, and/or the taxpayer's general ledger;
      2. List of vendors as described in section 18-235-17-03(b)(4), HAR;
      3. List of loan-out companies as described in section 18-235-17-03(b)(5), HAR;
      4. List of costs for which use tax was paid and substantiation of such payments as described in section 18-235-17-03(b)(6), HAR; and
      5. List of crew members as described in section 18-235-17-03(b)(7), HAR; and
      6. Payroll log.

b. Minimum expenditure threshold. The QCPA shall review the Hawaii expenditure report and/or the taxpayer's general ledger to ensure that the qualified production costs total $200,000 or greater. If this threshold is not met, the taxpayer does not qualify for the Hawaii film credit.

c. Verification of expenditures. The QCPA shall evaluate the taxpayer's assertion of amounts proposed as qualified production costs within the meaning of the definition of "qualified production costs" in section 235-17, HRS, and the requirements of sections 18-235-17-09 to 13, HAR, (as applicable) for the calendar year.
   i. Ordinary and necessary. The QCPA shall verify that the asserted production costs are costs that are ordinary and necessary in the motion picture or film production industry through one of the following methods:
      1. Verify that the asserted costs are among those specifically listed under the definition of "qualified production costs" in section 235-17(m), HRS, paragraphs (1) to (10); or
      2. For an asserted cost other than a direct production cost specified in the definition of "qualified production costs" in section 235-17(m), HRS, verify that the cost is otherwise allowable under the administrative rules.
   ii. Sampling. Using any reasonable method, the QCPA may perform the verification of expenditures on a test basis with a sample selected according to applicable professional standards for transactions with a value of less than $10,000. The selected sample shall include all transactions with a value of $10,000 or more.
   iii. Application of the rate of exceptions. The QCPA shall perform the following procedures in determining and applying the rate of exceptions:
      1. If the rate of exception is 1% or less of the asserted qualified production costs, no further action is required.

2. If the rate of exception exceeds 1% of asserted qualified production costs, select a second sample from the untested costs according to the same sampling methodology previously utilized. Test the second sample to determine the rate of exception.
3. If the rate of exception for the second sample does not exceed 1%, document the rate of exception in the AUPR and adjust for any errors found in the second sample. No further action is required.
4. If the rate of exception for the second sample exceeds 1% of the asserted qualified production costs, adjust for the errors found in the second sample and either:
   a. Apply the average of the two rates of exception to the untested costs for the purpose of determining the approximate dollar amount of exceptions; or
   b. Use any other reasonable method of further identifying exceptions in the untested costs.

iv. Tracing. The QCPA shall agree the amount of the payments for asserted production costs to checks, bank statements, or other documentary evidence not created by the taxpayer.

v. Wages. For wage payments paid to employees, the QCPA shall:
1. Verify that federal Form W-2 or paystubs show that Hawaii income tax was withheld. If federal Form W-2 or paystubs do not show Hawaii income tax was withheld, treat the amount paid as wages as an exception;
2. If the wages were paid through a payroll company:
   a. Verify that the payroll company has an active general excise tax (GET) license; and
   b. If the payroll company does not have an active GET license, treat the fees paid to the payroll company as an exception.

vi. Other Payments made-through payroll companies. For other payments made through a payroll company or the like, the QCPA shall:
1. Verify that the amount that was ultimately paid to the payee, such as a loan-out company, and the fee paid to the payroll company are stated separately;
2. Verify that the payee, such as a loan-out company, has an active GET license. If the payee does not have an active GET license, treat the amount paid to the payee as an exception; and
3. Verify that the payroll company has an active GET license. If the payroll company does not have an active GET license, treat the fee paid to the payroll company as an exception.

vii. Small purchases of goods. Section 18-235-17-03(b)(4), HAR, requires that the GET license number of all vendors be provided as part of the post-production report. However, the Department of Taxation (Department) recognizes that in certain instances the burden of obtaining and reporting a vendor's GET license number outweighs its utility. As a result, the QCPA may disregard section 18-235-17-03(b)(4), HAR, if the following conditions are met:
1. The vendor/seller is physically located in Hawaii;
2. The purchase (transaction) is less than $100; and

3. The following information is contained in the "Small Purchases" section of the Expenditure Report (spreadsheet) and/or the taxpayer's general ledger or other supporting documentation such as invoices or receipts:
   a. Name of the vendor/seller;
   b. Address or location of vendor/seller;
   c. Description of the purchase (please note: "Petty cash," "merchandise," and other generic descriptions are not sufficient);
   d. Date of the purchase; and
   e. Amount of purchase.

viii. Direct costs. The QCPA shall verify that the asserted costs are directly related to the qualified production for which the AUPR is being produced as required under section 18-235-17-10(a), HAR.

ix. Capital assets. Verify that the amount of capital (fixed) assets that were not sold or destroyed are limited to the amount of the depreciation allowance for the time period and prorated for the amount of time that the equipment was used in Hawaii.

x. Financial or in-kind contributions. The QCPA shall verify that contributions required under section 18-235-17-17, HAR, are not asserted as qualified production costs.

xi. Workpapers. The QCPA shall maintain all workpapers that support the AUPR's results and make those workpapers available for review by the Department at the offices of the taxpayer, at the Department, or any other reasonable place designated by the Department. The QCPA shall retain workpapers until the period for an audit by the Department has expired, but no longer than seven years from the date the AUPR is submitted.

For questions regarding this Tax Information Release or whether certain costs qualify for the film credit, please contact the Rules Office at (808) 587-1530 or by e-mail at Tax.Rules.Office@hawaii.gov.

For questions regarding the post-production report please contact the Hawaii Film Office at (808) 586-2570 or by email at DBEDT.film.incentives@hawaii.gov.

RONA M. SUZUKI
Director of Taxation

# SAMPLE AGREED-UPON PROCEDURES REPORT

[Date]

**Independent Certified Public Accountant's Report on Applying Agreed-Upon Procedures**

[Name of Taxpayer/Production Company]
[Taxpayer's address]
[Name of contact person]
[Contact person's telephone number]
[Contact person's email address]
[Project/production name]

Prepared by:

[Name of QCPA]
[QCPA's address]
[QCPA's telephone number]
[QCPA's license number issued by the Professional & Vocational Licensing Division of the Hawaii Department of Commerce and Consumer Affairs, license status, and license expiration date]

| | |
|---|---|
| DECLARATION of QCPA— I [Name of QCPA] declare, under the penalties set forth in section 231-36, Hawaii Revised Statutes, that I do not have an ownership or other pecuniary interest in the taxpayer or the production company for whom this report was prepared and that I am qualified to produce this report under section 235-17, HRS, and its administrative rules. | |
| Signature of QCPA | Date |

Dear Contact Person:

We have performed the procedures enumerated below, which were agreed to by [Taxpayer], solely to assist you with [Taxpayer's] application to the Hawaii Film Office within the Department of Business, Economic Development and Tourism (Hawaii Film Office) in applying for the motion picture, digital media, and film production income tax credit as provided by section 235-17, Hawaii Revised Statutes (HRS) for [Name of Production (and relevant episode(s), if applicable)] for the calendar year ended December 31, 2019.

[Taxpayer] is responsible for the accuracy of its asserted qualified production costs and compliance with the requirements of section 235-17, HRS. The State of Hawaii Department of Taxation (DOTAX) has issued guidance on those requirements through the adoption of sections 18-235-17-01 to 18-235-17-19, Hawaii Administrative Rules (HAR). Accordingly, throughout this report, references will be made to the applicable HAR provision(s).

Section 6 of Act 143, Session Laws of Hawaii 2017, and section 235-17(h), HRS, require every taxpayer claiming the film credit to submit to the Hawaii Film Office a production report and a verification review. The verification review and the production report must be submitted no later than 90 days following the end of the calendar year in which the qualified production costs were incurred. Section 18-235-17-14, HAR, defines a verification review as an agreed-upon procedures report (AUPR) prepared by a qualified certified public accountant (QCPA). Tax Information Release (TIR) No. 2019-04 outlines the procedures and other requirements of the AUPR.

This AUPR was conducted in accordance with attestation standards as defined by the American Institute of Certified Public Accountants in AT-C Section 215, *Agreed-Upon Procedures Engagement*. This AUPR was designed to comply with section 18-235-17-14, HAR, and TIR No. 2019-04. The sufficiency of these procedures, however, is solely the responsibility of those parties specified in the report.

**Summary of Findings**

[Taxpayer] has asserted that its total amount of qualified production costs within the meaning of the definition of "qualified production costs" in section 235-17, HRS, and the requirements of sections 18-235-17-09 to 13, HAR (as applicable), incurred during the calendar year ending December 31, 2019, was $36,551,000. Expenditures were incurred on the islands of Kauai, Oahu, Maui, and Hawaii.

**Total Asserted Qualified Spend by Island:**

| Island | Spend |
|---|---:|
| Kauai | $36,000,000 |
| Oahu | $500,000 |
| Maui | $50,000 |
| Hawaii Island | $1,000 |
| **Total** | **$36,551,000** |

We noted the following types of exceptions resulting from our procedures (see also Exhibits A and B):

1. Loan-out companies with no active Hawaii general excise tax (GET) license.
2. Bank fees not subject to GET or income tax.
3. Employees who performed work in the state of Washington.
4. Use tax not paid on total landed value of imported goods or services.
5. Amount(s) paid to a government entity for government-imposed fine(s).
6. Amount(s) paid as gratuity or tip.
7. Airfare expenses in excess of $2,000 per person per way.
8. Payments to related entities.
9. Per diem amounts that are not subject to Hawaii income tax.

The total exceptions found totaled $358,000, or 0.98% of [Taxpayer]'s total asserted qualified production costs.

Summarized below are details regarding the selected sample and the number of exceptions found as a result of our sample testing and our overall testing procedures.

**Selected Sample:**

| Description | Number of Transactions | | Dollar Amounts | |
|---|---|---|---|---|
| | # | % | $ | % |
| **Selected Sample:** | | | | |
| Transactions greater than or equal to $10,000 | 135 | 1.0% | $13,500,000 | 36.9% |
| Transactions less than $10,000 | 75 | 0.5% | $150,000 | 0.4% |
| **Selected Sample Totals** | **205** | **1.5%** | **$13,650,000** | **37.3%** |
| **Total Asserted Qualified Production Costs** | **13,500** | **100.0%** | **$36,551,000** | **100.0%** |

**Exceptions Found in Selected Sample:**

| Description | Number of Transactions | Dollar Amounts |
|---|---|---|
| Exceptions in selected sample | 12 | $120,000 |
| Exceptions as % of selected sample totals | 5.9% | 0.09% |

**Total Exceptions Found:**

| Description | Number of Transactions | Dollar Amounts |
|---|---|---|
| Total exceptions found (in selected sample and overall testing procedures) | 98 | $358,000 |
| Total exceptions as % of total asserted qualified production costs | 0.7% | 0.98% |

## Procedures Performed

[Taxpayer]'s total asserted qualified costs were comprised of 13,500 transactions totaling $36,551,000. As noted above, we selected a sample that included all transactions of $10,000 or more and 75 transactions under $10,000 from [Taxpayer]'s general ledger (GL).

A. We obtained:
   1. A detailed expenditure report as described in section 18-235-17-03(b)(3), HAR, and/or the [Taxpayer]'s general ledger;
   2. A list of vendors as described in section 18-235-17-03(b)(4), HAR;
   3. A list of loan-out companies as described in section 18-235-17-03(b)(5), HAR;

4. A list of costs for which use tax was paid and substantiation of such payments as described in section 18-235-17-03(b)(6), HAR; and
5. A list of crew members as described in section 18-235-17-03(b)(7), HAR; and
6. [Taxpayer's] Payroll log.

B. In order to determine whether the expenditures were subject to GET at the highest rate, use tax at the highest rate if the payee is not engaged in business in the State, or income tax if the expenditure is not subject to GET or use tax, we verified the expenditures using the following procedures:

1. The invoice from the payee separately set forth Hawaii GET at 4% (plus any applicable county surcharge).

2. The payee had a GET license listed on DOTAX's website designated as "Open" with the listed business start date on or before the date of payment.

3. [Taxpayer] satisfied section 18-235-17-18, HAR, with respect to the payee, as follows:
    i. [Taxpayer] verified, using DOTAX's tax license search, that all vendors and service providers have active GET licenses; and
    ii. Any payee(s) that did not have a GET license prior to engaging in business with [Taxpayer] were provided a tax advisory substantially similar to the form prescribed in section 18-235-17-18(b), HAR.
        1. Tax advisories were provided not later than 30 days after engaging the payee(s); and
        2. The payee(s) returned an acknowledgment of having received the advisory.

4. For wage payments to employees, we verified that:
    i. Federal Form W-2 or paystubs showed that Hawaii income tax was withheld. If federal Form W-2 or paystubs did not show that Hawaii income tax was withheld, we treated the amount paid as wages as an exception.
    ii. If wages were paid through a payroll company:
        1. We verified that the payroll company has an active GET license; and
        2. If the payroll company did not have an active GET license, we treated the amount paid for payroll handling fees as an exception.

5. For payments made to loan-out companies, through a payroll company or the like, we verified that:
    i. The amounts that were ultimately paid to loan-out companies and the amounts paid for handling/service fees to the payroll company were stated separately;
    ii. The payroll company and the loan-out company both had active GET licenses;
    iii. If the loan-out company did not have an active GET license, we treated the amount paid to the loan-out company as an exception; and
    iv. If the payroll company did not have an active GET license, we treated the amount paid to the payroll company for handling/service fees as an exception.

We identified three types of exceptions resulting from the procedures mentioned above:

1. **Loan-out companies with no active GET license**: We identified five payments to a loan-out company with no GET license totaling $48,000, and two payments to a loan-out company with an inactive GET license totaling $15,000. We scanned the GL and identified 50 additional payments made to these loan-out companies for a total exception amount of $181,100.

2. **Bank fees not subject to Hawaii GET or income tax**: We identified two payments for bank fees which were not subject to GET, use tax, or income tax. We scanned the GL and identified 15 additional payments related to various bank fees for a total exception amount of $500.

3. **Employees who performed work in the state of Washington**: We identified two employees who performed work in Washington State. Employee work performed in Washington is not subject to GET, use tax, or Hawaii income tax. We scanned the GL and identified a total of five payments to the same employees for the same work periods totaling $90,000.

C. For payments made to an insurance company holding, we verified that the company had an active license with the Department of Commerce and Consumer Affairs – Insurance Division.

No exceptions found for payments made to an insurance company.

D. For expenditures that are subject to use tax, we verified that [Taxpayer] paid Hawaii use tax at 4% plus any applicable county surcharge on the landed value of any claimed imported goods or services.

We identified five payments for out-of-state rentals and goods to payees without a physical presence in Hawaii. The total amount paid to each payee was under $100,000, which indicated that expenditures were subject to use tax. We scanned [Taxpayer]'s 2019 GET returns and noted that use tax was not paid on these items totaling $40,500.

E. Our agreed-upon procedures included additional steps for costs paid to government entities, ensuring that only rentals and fees for use of state and county facilities were included in the asserted qualified production costs, and that government-imposed fines, penalties, or interest are not qualified costs (per section 18-235-17-10(i), HAR).

We identified one payment for a fee imposed by a government entity for $1,000.

F. Our agreed-upon procedures included additional steps to be performed if [Taxpayer] included in its asserted qualified production costs amounts that were paid for gratuity or tip (per section 18-235-17-10(g), HAR).

We identified 10 payments of gratuity or tip totaling $550.

G. Our agreed-upon procedures included additional steps to be performed if [Taxpayer] included in its asserted qualified production costs, amounts that were paid for airfare that violated the rules in section 18-235-17-10(d), HAR.

   We identified five payments for airfare exceeding $2,000 per person per way, with the excess totaling $9,450.

H. Our agreed-upon procedures included additional steps to be performed if [Taxpayer] included in its asserted qualified production costs amounts that were paid to related entities (per section 18-235-17-10(f), HAR).

   We identified five exception payments to related entities totaling $20,000 for production services fees.

I. We obtained paystubs for individuals who received per diem payments. We determined whether the per diem payments were subject to Hawaii income tax (per section 18-235-17-10(c), HAR).

   We identified 100 per diem payments to employees that included per diem amounts not subject to Hawaii income tax. The non-taxable per diem amounts identified as exceptions totaled $14,900.

J. Our agreed-upon procedures included additional steps to be performed if [Taxpayer] claimed depreciation allowances within the asserted qualified production costs (per section 18-235-17-10(e), HAR).

   The [Taxpayer] has informed us that it did not include any depreciation allowances within its asserted qualified production costs for the calendar year ended December 31, 2019.

We are not engaged to conduct and did not previously conduct any audit(s), the objective(s) of which would be the expression of an opinion on the accuracy and completeness of the [Taxpayer]'s qualified production cost assertions and their compliance with the requirements of section 18-235-17-14. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

It is understood that this report is solely for the information of [Taxpayer], its owner and its management. This report, or portions thereof, may not be relied upon by another person or entity. It may be distributed to the addresses hereof, and to the Hawaii Film Office and DOTAX accordingly to law and the HAR, but it may not be distributed to any other persons without our written consent.

[Signature of QCPA]
Name of QCPA

## EXHIBIT A

### Exhibit Listing by Type - Summary

| Exception Type | No. of Exceptions | Amount (Kauai) | Amount (Oahu) | Amount (Total) |
|---|---|---|---|---|
| Loan-out companies with no active Hawaii GET license | 57 | $120,100 | $61,000 | $181,100 |
| Bank fees not subject to GET, use tax, or income tax | 17 | | $500 | $500 |
| Employees who performed services in the state of Washington | 5 | $90,000 | | $90,000 |
| Imported goods and services with no use tax paid | 5 | $40,500 | | $40,500 |
| Amounts paid to a government entity for a fine | 1 | | $1,000 | $1,000 |
| Amounts paid as gratuity or tip | 10 | $550 | | $550 |
| Airfare in excess of $2,000 per way | 5 | $9,450 | | $9,450 |
| Payments to related entities | 5 | $20,000 | | $20,000 |
| Per diem amounts that are not subject to Hawaii income tax | 100 | $14,900 | | $14,900 |
| **Total Exceptions** | **205** | **$325,500** | **$32,500** | **$358,000** |

## EXHIBIT B

### Exhibit Listing by Type – Detail

### Loan-out companies with no active Hawaii GET license

| No. | Description | Invoice # | Amount (Kauai Spend) | Amount (Oahu Spend) |
|---|---|---|---|---|
| 1 | | | | |
| 2 | | | | |
| 3 | | | | |
| . | | | | |
| . | | | | |
| . | | | | |
| 57 | | | | |
| | **Total** | | **$120,100** | **$61,000** |

### Bank fees not subject to Hawaii GET or income tax

| No. | Description | Invoice # | Amount (Kauai Spend) | Amount (Oahu Spend) |
|---|---|---|---|---|
| 1 | | | | |
| 2 | | | | |
| 3 | | | | |
| . | | | | |
| . | | | | |
| . | | | | |
| 17 | | | | |
| | **Total** | | | **$500** |

### Employees who performed work in the state of Washington

| No. | Description | Invoice # | Amount (Kauai Spend) | Amount (Oahu Spend) |
|---|---|---|---|---|
| 1 | | | | |
| 2 | | | | |
| 3 | | | | |
| 4 | | | | |
| 5 | | | | |
| | **Total** | | **$90,000** | |

**Imported goods and services with no use tax paid**

| No. | Description | Invoice # | Amount (Kauai Spend) | Amount (Oahu Spend) |
|---|---|---|---|---|
| 1 | | | | |
| 2 | | | | |
| 3 | | | | |
| 4 | | | | |
| 5 | | | | |
| | **Total** | | **$40,500** | |

**Amounts paid to a government entity for a fine**

| No. | Description | Invoice # | Amount (Kauai Spend) | Amount (Oahu Spend) |
|---|---|---|---|---|
| 1 | | | | |
| | **Total** | | | **$1,000** |

**Amounts paid as gratuity or tip**

| No. | Description | Invoice # | Amount (Kauai Spend) | Amount (Oahu Spend) |
|---|---|---|---|---|
| 1 | | | | |
| 2 | | | | |
| . | | | | |
| . | | | | |
| 10 | | | | |
| | **Total** | | **$550** | |

**Airfare in excess of $2,000 per way**

| No. | Description | Invoice # | Amount (Kauai Spend) | Amount (Oahu Spend) |
|---|---|---|---|---|
| 1 | | | | |
| 2 | | | | |
| 3 | | | | |
| 4 | | | | |
| 5 | | | | |
| | **Total** | | **$9,450** | |

**Payments to related entities**

| No. | Description | Invoice # | Amount (Kauai Spend) | Amount (Oahu Spend) |
|---|---|---|---|---|
| 1 | | | | |
| 2 | | | | |
| 3 | | | | |
| 4 | | | | |
| 5 | | | | |
| | **Total** | | **$20,000** | |

**Per diem amounts that are not subject to Hawaii income tax**

| No. | Description | Invoice # | Amount (Kauai Spend) | Amount (Oahu Spend) |
|---|---|---|---|---|
| 1 | | | | |
| 2 | | | | |
| 3 | | | | |
| . | | | | |
| . | | | | |
| . | | | | |
| 100 | | | | |
| | **Total** | | **$14,900** | |