

STAND. COM. REP. NO.

986

Honolulu, Hawaii

, 2025

FEB 28

RE: H.B. No. 796

H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Madame:

Your Committee on Finance, to which was referred H.B. No. 796, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAX CREDITS,"

begs leave to report as follows:

The purpose of this measure is to require income tax credits established or renewed after December 31, 2025, to include a five-year sunset or a gradual reduction over a three-year period, beginning with the sixth year of the credit.

Your Committee received testimony in opposition to this measure from the Honolulu Film Office of the City and County of Honolulu; Catholic Charities Hawai'i; Hawai'i Children's Action Network Speaks!; SAG-AFTRA Hawaii Local; Democratic Party of Hawai'i Education Caucus; Coalition Earth; IATSE Local 665; Democratic Party of Hawai'i Labor Caucus; Pride at Work - Hawai'i; Hawai'i Ironworkers Stabilization Fund; and numerous individuals. Your Committee received comments on this measure from the Department of Taxation; Department of Business, Economic Development, and Tourism; Tax Foundation of Hawaii; and one individual.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your

2025-2192 HB796 HD1 HSCR HMSO



Committee is in accord with the intent and purpose of H.B. No. 796, H.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



KYLE T. YAMASHITA, Chair



