

JOSH GREEN M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



GARY S. SUGANUMA
DIRECTOR

KRISTEN M.R. SAKAMOTO
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF TAXATION

Ka 'Oihana 'Auhau
P.O. BOX 259

HONOLULU, HAWAII 96809
PHONE NO: (808) 587-1540
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**TESTIMONY OF
GARY S. SUGANUMA, DIRECTOR OF TAXATION**

TESTIMONY ON THE FOLLOWING MEASURE:

H.B. No. 796, H.D.1, Relating to Tax Credits.

BEFORE THE:

House Committee on Finance

DATE: Monday, February 24, 2025

TIME: 10:00 a.m.

LOCATION: State Capitol, Room 308

Chair Yamashita, Vice-Chair Takenouchi, and Members of the Committee:

The Department of Taxation (DOTAX) offers the following comments regarding H.B. 796, H.D.1, for your consideration.

Section 2 of H.B. 796, H.D.1, amends section 235, Hawaii Revised Statutes (HRS), with a new section mandating that every income tax credit established or renewed after December 31, 2025 include either a 1) a five-year sunset date; or 2) beginning with the sixth year of the credit, an annual one-third reduction in the credit amount allowed to be claimed, over a three-year period. The bill has a defective effective date of July 1, 3000.

DOTAX notes that because this bill will apply to future legislation, there is no immediate impact to DOTAX.

Thank you for the opportunity to provide comments on this measure.



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**
KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI
A HO'OMĀKA'IKĀ'I

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

JAMES KUNANE TOKIOKA
DIRECTOR

DANE K. WICKER
DEPUTY DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Web site: dbedt.hawaii.gov

Telephone: (808) 586-2355
Fax: (808) 586-2377

Statement of
JAMES KUNANE TOKIOKA
Director

Department of Business, Economic Development, and Tourism
before the
HOUSE COMMITTEE ON FINANCE
Monday, February 24, 2025
10:00 AM
State Capitol, Conference Room #308

In consideration of
HB796, HD1
RELATING TO TAX CREDITS

Chair Yamashita, Vice Chair Takenouchi and members of the Committee. The Department of Business, Economic Development and Tourism (DBEDT) offers comments on HB796, HD1 that requires Hawai'i income tax credits established or renewed after 12/31/2025 to include a five-year sunset or an annual one-third reduction, beginning with the sixth year of the credit.

In 2023, the film industry supported 9,168 total jobs, with 84.8% of those positions filled by Hawai'i residents, with a total spend of \$168 million in Hawai'i. Within this, 66.3% of department heads and key positions (250 jobs) were held by local hires. These figures underscore the program's impact on job creation, workforce development, and the broader economy.

Hawai'i is an internationally recognized production destination with the potential to be a leader in the global creative economy. The state's unique multicultural identity supports the creative sector as a driver of economic diversification and revitalization. Strengthening Hawai'i's film tax credit program is essential to maintaining Hawai'i's

global competitiveness in an industry that is filming New Zealand for Hawai'i due to the limitations of the existing credit.

To reduce its impact further means collapsing the ability to attract new productions, developing our workforce, and in doing so, justifying the demand for additional studio infrastructure investment. Due to the contraction of the U.S. domestic production industry due to the pandemic and strikes, the state is experiencing an unprecedented decline in production in the islands. DBEDT cautions that elimination or sunset dates moved up to five years send the wrong message to industry, may eliminate the future opportunities for current series and future series or feature films in development in considering our state for the production work. At a time when we are in a production downturn, the proposed changes to HRS 235-17 will adversely impact livelihood of our talented crew and acting pool across the state, potentially forcing an exodus of skilled workers to those U.S. state destinations which still have a competitive, reliable tax credit program.

Similarly, the Research & Development (R&D) Tax Credit Program - incentivizes innovation across multiple sectors, fostering growth in high-tech industries. Approximately 75% of total qualified research expenditures were dedicated to wages, directly supporting high-skilled jobs in innovation-driven industries: Aerospace, Astronomy, Biotechnology, Computer Software, Non-Fossil Fuel Energy Technologies, Ocean Sciences, and Sensor & Optic Technologies.

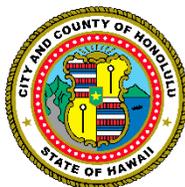
The department does appreciate the intent behind the measure, however the impacts to eliminating these credits will cause economic harm to the growth of these two industries which are pillars of DBEDT's strategy to diversify our economy.

We look forward to working with the Legislature to continue to build a resilient ecosystem in creative and innovation industries, not adversely impacting their ability to thrive in Hawai'i. Thank you for the opportunity to testify.

HONOLULU FILM OFFICE
KE KE'ENA LĪPINE O HONOLULU
CITY AND COUNTY OF HONOLULU

530 SOUTH KING ST, ROOM 306 • HONOLULU, HAWAII 96813
PHONE: (808) 768-6100 • FAX: (808) 768-6102 • INTERNET: www.honolulu.gov/film-office

RICK BLANGIARDI
MAYOR
MEIA



WALEA L. CONSTANTINAU
FILM COMMISSIONER
KOMININA LĪPINE

Testimony of Walea Constantinau,
Film Commissioner, Honolulu Film Office
City and County of Honolulu

HOUSE COMMITTEE ON FINANCE

February 24, 2025 -- 10:00 AM
State Capitol, Conference Room 308 and via Videoconference

RE: HB 796 HD1 RELATING TO TAX CREDITS – Testimony in Strong Opposition

Dear Chair Yamashita, Vice-chair Takenouchi and members of the committees:

The Honolulu Film Office would like to thank the Legislature for its long-standing support of Hawai'i's Film Industry. This collaboration has been successful because it:

- **Is a revenue-generator that diversifies our economy** by attracting millions of dollars into our state and creates living-wage jobs
- **builds-up our local filmmakers** and bolsters their ability to elevate within the industry

We understand the questions associated with tax credits and would like to underscore that while some credits may be used to jumpstart an industry, other credit programs, such as the film industry tax credit, are **designed to attract business to the state and grow the economy**. In a recent [Public Opinion Poll](#) of registered Hawaii Voters:

- 94% of residents believe filming in Hawai'i is good for the state
- 87% of residents believe the film industry is important to Hawai'i's economy
- 85% of residents support film tax incentives
- 63% of residents believe Hawai'i would be negatively impacted if the film industry left
- 67% of residents support increasing tax incentives to attract and retain movie productions in Hawai'i

The film industry's effect on the economy is catalytic -- **on average 67% of production costs are spent in other business areas in the economy*** – this kind of spending is highly desirable and drives broad economic growth. (**May 2024, Olsberg-SPI study on Best Practice in Screen Sector Development*)

The two most recent studies from DBEDT's annual report to the Hawaii State Legislature demonstrate that the industry is **net positive** in a conservative assessment of the ROI of the program:

- [2022 Actual Expenditures](#): Tax Credit claimed: \$34.43M **Tax Revenue generated: \$36.03M**
- [2023 Estimated Expenditures](#): Tax Credit claimed: \$20.98M **Tax Revenue generated: \$21.2M**

Additionally, a 2024 DBEDT study [Impacts of the Film Industry on 2022 Tourism in Hawai'i](#) reveals:

- 4.5 million visitor days can be attributed to TV and movies filmed in Hawai'i
- \$1.0 billion in visitor spending that generates:
- \$1.2 billion contribution to GDP
- \$543.6 million in earnings
- **\$121.6 million in state tax revenue generated from film industry-driven tourism**

Please continue to allow the film tax credit to grow Hawai'i's economy and create living-wage jobs. Thank you for the opportunity to provide these comments.



CATHOLIC CHARITIES HAWAII

TESTIMONY IN OPPOSITION OF HB 796 HD1: RELATING TO TAX CREDITS

TO: House Committee on Finance

FROM: Tina Andrade, President and CEO, Catholic Charities Hawaii

Hearing: **Monday, 2/24/25, 10:00 AM; via Videoconference or Room 308**

Chair Yamashita, Vice Chair Takenouchi, and Members, Committee on Finance:

Catholic Charities Hawaii **opposes HB 796 HD1**, which requires that income tax credits established or renewed after 12/31/2025 include a 5-year sunset or be reduced annually by one-third starting in the sixth year.

Catholic Charities Hawaii (CCH) is a tax-exempt, community-based organization that has been providing social services in Hawaii for over 77 years. CCH offers programs serving elders, children, families, homeless individuals, and immigrants. Our mission is to provide services and advocacy for the most vulnerable people in Hawaii. Each year, we serve over 40,000 people across the state. We have a long history of advocating for economic justice for the people of our state.

Catholic Charities Hawaii opposes this bill because it would create additional tax burdens on state residents. Between 2021 and 2022, 67,257 people left Hawaii, and thousands continue to leave each year, forced out by the high cost of living. The latest Aloha United Way report found that 27% of households statewide worried about being forced to move within a year. Among ALICE (Asset Limited, Income Constrained, Employed) residents, that number rises to 41%.

The Legislature has prioritized reducing the cost of living to help local families remain in Hawaii. Tax credits are most beneficial to lower-income, ALICE, and middle-income families who are struggling to continue living here. These are the very workers we want to support to stay in the local workforce. They often rely on these tax credits to pay off bills and receive relief for immediate needs.

We understand that the State wants to be fiscally responsible and have a method for phasing out tax credits that are not needed or are not essential. We urge you to consider a more targeted approach to meet this goal.

We urge you to **defer** this bill. This bill would have a negative impact on many local families that receive some relief via tax credits from the high cost of living.

If you have any questions, please contact our Legislative Liaison, Betty Lou Larson at (808) 527-4813.



Hawai'i Children's Action Network Speaks! is a nonpartisan 501c4 nonprofit committed to advocating for children and their families. Our core issues are safety, health, and education.

To: House Committee on Finance
 Re: **HB 796 HD1 – Relating to Tax Credits**
 Hawai'i State Capitol & Via Videoconference
 February 24, 2025, 10:00 AM

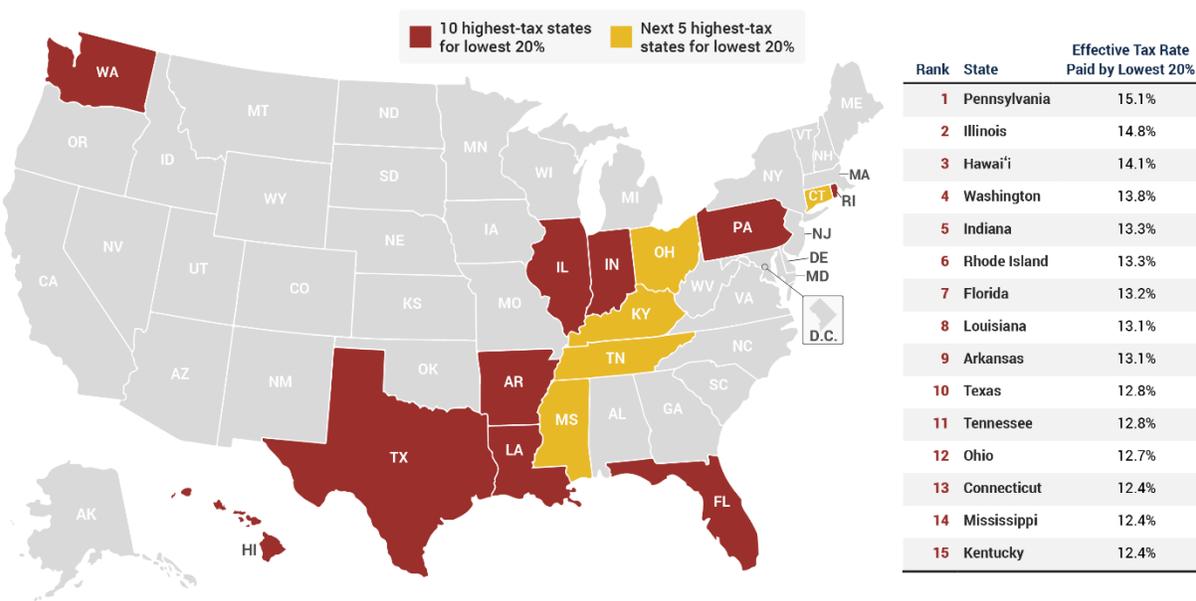
Dear Chair Yamashita, Vice Chair Takenouchi, and Committee Members,

On behalf of Hawai'i Children's Action Network Speaks!, I am writing in **OPPOSITION to HB 796 HD1**. This bill requires income tax credits established or renewed after 12/31/25 to have a 5-year sunset or automatic annual one-third reduction beginning with its sixth year.

Hawai'i's tax system currently is upside down. Our state saddles our **low-income families with the third-heaviest state and local tax burden in the nation**, as shown in the map below: ¹

FIGURE 11

States with the Highest Taxes on Low-Income Households



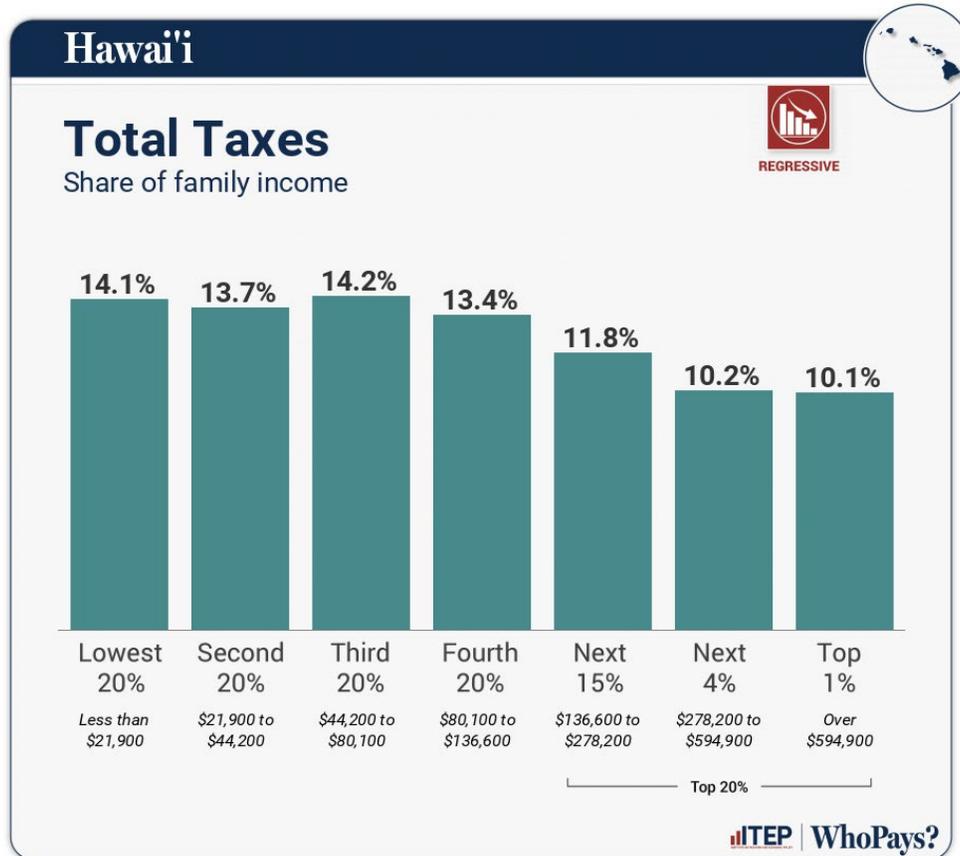
Source: Institute on Taxation and Economic Policy (ITEP)

 WhoPays?

And as you can see in the chart below, families who earn less than about \$22,000 per year pay 14.1% of their income in state and local taxes, while those who make over about \$595,000 pay only 10.1%.²

¹<https://itep.org/whopays-7th-edition/#low-taxes-or-just-regressive-taxes>

²<https://itep.org/whopays/hawaii-who-pays-7th-edition/>



Tax credits help make our tax system more fair. Our state's income tax credits help people keep more of their hard-earned money.³ These credits are targeted for lower to middle-income families, reducing hardship and helping keep parents on the job.⁴

The stresses of childhood poverty have both immediate and long-term effects on keiki's physical and mental health, behavioral self-control, academic achievement, and earnings as adults.⁵ Anything that we can do to help children avoid poverty – including creating and improving targeted tax credits – will have long-term benefits for our state.

Unfortunately, this bill would do the opposite and threaten or weaken tax credits for working families. We respectfully request that you defer this bill.

Thank you,
Nicole Woo
Director of Research and Economic Policy

³ <https://www.hitaxfairness.org/>

⁴ <https://bipartisanpolicy.org/blog/supporting-working-families/>

⁵ <https://www.apa.org/pi/ses/resources/publications/children-families>



February 24, 2025

Committee on Economic Finance
Chair Yamashita
Vice Chair Takenouchi

The House of Representatives
The Thirtieth-Third Legislature
Regular Session of 2025

RE: [HB796 HD1 - RELATING TO TAX CREDITS](#)

DATE: Monday, February 24, 2025

TIME: 10:00 am

PLACE: VIA Videoconference

State Capitol 415 South Beretania Street, Honolulu HI

Aloha Chair Yamashita, Vice Chair Takenouchi, and the Members of the Committee,

Thank you for the opportunity to testify in **OPPOSITION** of HB796- RELATING TO TAX CREDITS.

SAG-AFTRA represents over 1400 actors, recording artists, and media professionals in our state. We are the professional performers working in front of the camera and behind the microphone. The SAG-AFTRA Hawai'i Local has a long-standing history of protecting performers in all areas of the entertainment, advertising, and media industries.

We are grateful for the Legislature's continued support. The tax credit to qualified producers has been a beneficial incentive, creating thousands of jobs for local people to support their families and enrich our community.

In addition to contributing to the vibrancy of our creative community, this industry also pumps money into our economy. As the latest DBEDT figures indicate, in 2024 our film and television industry generated \$324,150,100 in sales or economic activity, \$20,235,960 in estimated tax

Mericia Palma Elmore, Executive Director
SAG-AFTRA Hawaii Local
mericia.palmaelmore@sagaftra.org
201 Merchant St. Suite 2301
Honolulu, HI 96813
Ph: 808-596-0388 Fax: 808-593-2636

SCREEN ACTORS GUILD - AMERICAN
FEDERATION OF
TELEVISION AND RADIO ARTISTS
SAGAFTRA.org
Associated Actors & Artistes of America / AFL-CIO

revenues, and \$74,948,000 in Hawaii household income generated because of the qualified productions.¹ The film/tv/streaming industry also accounted for 2,247 jobs for 2023².

This measure calls for the eventual sunset or significant reduction of all income tax credits established or renewed after 12/31/2025 . As written, this measure may have dire unintended consequences, not just for the film industry, but for a wide swath of the population of Hawaii, many of whom benefit in profound, life-altering ways from the tax credits this bill will kill.

Respectfully,

Mericia Palma Elmore

Mericia Palma Elmore, Executive Director SAG-AFTRA Hawaii Local

¹ <https://files.hawaii.gov/dbedt/annuals/2024/2024-cid-act217.pdf>

² https://files.hawaii.gov/dbedt/economic/data_reports/hawaii-creative-report/HI_Creative_Ind_2024.pdf

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SCREEN ACTORS GUILD - AMERICAN
FEDERATION OF
TELEVISION AND RADIO ARTISTS
SAGAFTRA.org
Associated Actors & Artistes of America / AFL-CIO



HOUSE BILL 796, HD1, RELATING TO TAX CREDITS

FEBRUARY 24, HD1 2025 · FIN HEARING

POSITION: Opposition.

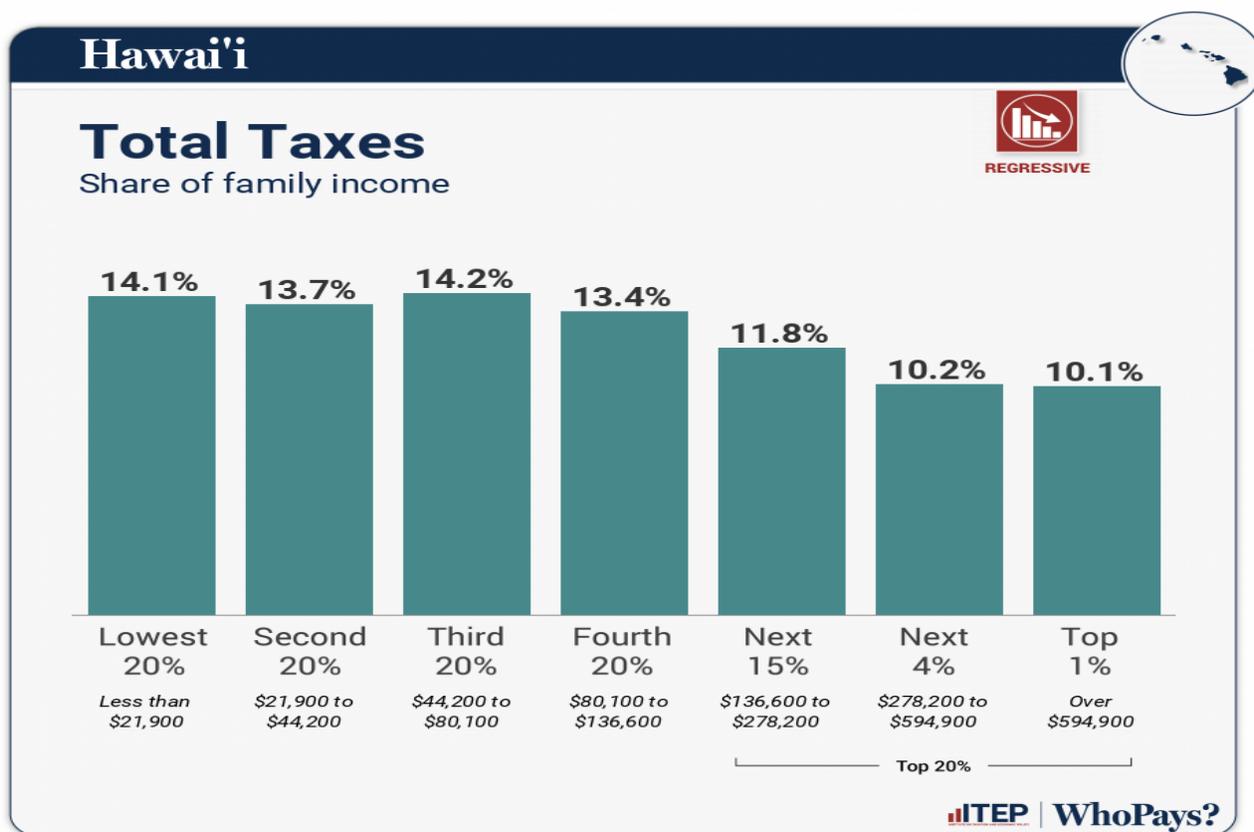
RATIONALE: The Democratic Party of Hawai'i Education Caucus **opposes** HB 796, HD1, relating to tax credits, which requires that income tax credits established or renewed after 12/31/2025 include a five-year sunset or an annual one-third reduction, beginning with the sixth year of the credit.

Working families need financial relief. Hawai'i residents face some of the highest housing costs in the nation, at more than twice the national average. Researchers who authored the National Low Income Housing Coalition's *Out of Reach 2024* report found that a full-time worker would need to earn \$44.60/hour—\$or \$92,768 per year—to afford a two-bedroom apartment at fair market value in our state, with Honolulu experiencing a 67 percent increase in fair market rent between 2005 and 2015. Average rent for a two-bedroom unit surpassed \$2,000 well before the COVID-19 pandemic hit our shores.

One out of every four households in Hawai'i report that they are “doubling up” or are three paychecks or less away from being homeless, per the Hawai'i Appleseed Center for Law and Economic Justice. Additionally, over 60 percent of households are severely cost-burdened, meaning that they pay more than 30 percent of their income on housing, a number that rises to over 80 percent of extremely low-income households.

A recent survey conducted by the Holomua Collective found that 60 percent of residents face worries about not being able to pay a monthly bill and 63 percent face difficulties in saving money from their paychecks for future emergencies, retirement, or other expenses. A staggering 70 percent of middle-class respondents to Holomua’s survey say they will—or are unsure if they will have to—relocate in the coming years. As Holomua Collective states in its report on the findings, “These are the very workers powering Hawai‘i’s economy, now on the brink of leaving their homes behind.” That population includes the teachers who are tasked with educating our keiki.

According to the Institute for Taxation and Economic Policy’s “Hawai‘i: Who Pays?” 7th Edition, the lowest 20 percent of income earners pay 14.1 percent of their income in taxes, while the highest 1 percent of income earners pay just 10.1 percent. Rather than passing measures that undo or reduce the benefits of tax credits for working families, we should strengthen our state’s efforts to provide financial relief to those who need it most.



Contact: educationcaucusdph@gmail.com



HOUSE COMMITTEE ON FINANCE

FEBRUARY 24, 2025

HB 796, HD1, RELATING TO TAX CREDITS

POSITION: OPPOSITION

Coalition Earth **opposes** HB 796, HD1, relating to tax credits, which requires that income tax credits established or renewed after 12/31/2025 include a five-year sunset or an annual one-third reduction, beginning with the sixth year of the credit.

According to a report produced by the Hawai'i Climate Change Mitigation and Adaptation Commission, global sea levels could rise more than three feet by 2100, with more recent projections showing this occurring as early as 2060. In turn, over the next 30 to 70 years, approximately 6,500 structures and 19,800 people statewide will be exposed to chronic flooding. Additionally, an estimated \$19 billion in economic loss would result from chronic flooding of land and structures located in exposure areas. Finally, approximately 38 miles of coastal roads and 550 cultural sites would be chronically flooded, on top of the 13 miles of beaches that have already been lost on Kaua'i, O'ahu, and Maui to erosion fronting shoreline armoring.

As we work to reduce carbon emissions and stave off the worst consequences of climate change, we must begin preparing for the adverse impact of sea level rise on our shores. We are now quantifying the speed at which we must act. We cannot continue to develop the 25,800-acre statewide sea level rise exposure area—one-third of which is designated for urban use—without risking massive structural damage and, potentially, great loss of life.

Just two years ago, we witnessed the impact of the climate emergency on our shores. On August 8, 2023, wildfires swept across Maui and killed at least 100 people, making it one of the nation's deadliest natural disasters. The spread of the fires has been attributed to climate change conditions, such as unusually dry landscapes and the confluence of a strong high-pressure system to the north and Hurricane Dora to the south. The wildfires destroyed over 2,200 structures, including numerous residential buildings, historic landmarks, and school facilities. In September

2023, a report from the United States Department of Commerce estimated the total economic damage of the wildfires to be roughly \$5.5 billion. Investing in renewable energy generation could not be more urgent, given the growing threat of climate catastrophes to our island home.

Therefore, our state should take steps to accelerate our transition to a clean energy economy and continue our fight against climate change, including by strengthening clean energy financing mechanisms. **We must not, however, enact proposals that have the potential to undermine our push for energy security and a sustainable future, including measures that would potentially reduce or eliminate tax incentives that help our state diversify its economy and make the adoption of renewable technology more feasible and accessible.** This may include any future expansion of the renewable energy technologies income tax credit that allows individuals or corporations to claim an income tax credit for up to 35 percent of the total cost for a solar PV, solar space heating, or solar thermal water heating system, subject to cap amounts, and up to 20 percent of the cost for wind-powered energy systems.

In June of last year, the state reached a settlement agreement in the landmark case of *Navahine v. Hawai'i Department of Transportation*, in which Gov. Josh Green acknowledged the constitutional rights of Hawai'i's youth to a life-sustaining climate and confirmed the commitment by HDOT to plan and implement transformative changes to Hawai'i's transportation system to achieve the state's goal of net-negative emissions by 2045. Additionally, on January 28th, Gov. Green issued an executive order to promote and expedite the development of renewable energy across our state.

Amidst uncertainty regarding renewable energy policy created by the Trump administration and concerns over grid stability across the state, the order accelerates renewable development for neighbor island communities to hit 100 percent renewable portfolio standards from 2045 to 2035, sets a statewide goal of 50,000 distributed renewable energy installations (such as rooftop solar and battery systems) by 2030, and directs state departments to streamline the permitting of renewable developments to reduce energy costs. **We must take action to shore up green financing at the state level, so that federal instability does not imperil our ability to meet our clean economy goals or jeopardize our society's future.**

Coalition Earth is a nongovernmental organization that works to preserve the well-being of people and our planet. We champion policies that advance climate resilience, clean energy, public health, and economic fairness for working families. Contact us at info@coalitionearth.org.



IATSE LOCAL 665

FILM, TELEVISION, STAGE, PROJECTION AND TRADESHOWS
Since 1937



INTERNATIONAL ALLIANCE OF THEATRICAL STAGE EMPLOYEES, MOVING PICTURE TECHNICIANS, ARTISTS AND ALLIED CRAFTS
OF THE UNITED STATES, ITS TERRITORIES AND CANADA, AFL-CIO, CLC

Thirty-Third Legislature, State of Hawai'i
Regular Session of 2025
House Committee on Finance
Testimony by IATSE 665
February 24th, 2025

HB 796 HD1- Relating to Tax Credits

Chair Yamashita, Vice Chair Takenouchi, and members of the House Committee,

My name is Tuia'ana Scanlan, president of IATSE 665 and IATSE International Trustee. Our union represents technicians and artisans in the Live Event, Tradeshow, and Film/TV sectors of Hawai'i's Entertainment industry. **Local 665 strongly opposes HB 796 HD1 - Relating to Tax credits**

Earlier this month, the Committee On Economic Development passed this bill out even though it did not receive a single piece of testimony in support. This bill would create lasting and wide-sweeping damage to each of your constituencies. HB 796 HD 1 would eliminate, over time, every single income tax credit, including the Credit for Low Income Household Renters, Credit for Child and Dependent Care, Capital Goods Excise Credit, Fuel Tax Credit for Commercial Fishers, Tax Credit for Research Activities, Motion Picture and Film Income Credit, Child Passenger Restraint System Credit, Renewable Energy Tech Credit, and much more.

While we understand the need for the state to conserve funds, without these credits, the tax burden disproportionately affects lower income working families. We acknowledge the concern regarding "market distortion", but the true market distortion looks like this - if a blanket income tax credit phase-out were to be enacted, the economic activity generated from all of them would grind to a halt. And while the state may benefit immediately from the "conserved" funds, it would do so at the detriment of the future growth of our economy. Taxes are not just for taking money. It is a social contract that says, in return for giving the state our hard earned wages, we fund initiatives that drive the economy in the name of the public good. We pay these taxes into a collective pool to benefit the quality of life for the constituents that elected you to these positions. Removing these tax credits will be devastating to the citizens of the state of Hawai'i. This bill will drive industry away from the islands, stall the attainment of the state's clean energy goals, limit the creation of desperately needed housing, and devastate the working families of Hawai'i.

IATSE 665 strongly opposes HB 796 HD1. We urge your committee to pass this measure. Thank you for the opportunity to provide testimony.

In Solidarity

A handwritten signature in black ink, appearing to read 'Tuia'ana Scanlan', written in a cursive style.

Tuia'ana Scanlan
President, IATSE 665
IATSE International Trustee
He/him/his

TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

RE: HB 796 HD1 - RELATING TO TAX CREDITS.

MONDAY, FEBRUARY 24TH, 2025

TUIA'ANA SCANLAN, CHAIR
DEMOCRATIC PARTY OF HAWAI'I LABOR CAUCUS

Chair Yamashita, Chair Takenouchi, and Members of the House Committee,

The Democratic Party of Hawai'i Labor Caucus **strongly opposes HB 796 HD1**, relating to tax credits. This bill has far-reaching implications for Hawai'i's workforce and working families across Hawai'i.

The Democratic Party of Hawai'i Labor caucus supports the principle of economic justice. As we continue to seek ways to provide better and more efficient public services to the people of Hawai'i, we pledge not to compromise the principle that government money, coming from the taxes of all of us, shall not be used to depress the wages or standard of living of the working men and women in our service.

Earlier this month, the Committee On Economic Development passed this bill out even though it did not receive a single piece of testimony in support. This bill would create lasting and wide-sweeping damage to each of your constituencies. HB 796 HD 1 would eliminate, over time, every single income tax credit, including the Credit for Low Income Household Renters, Credit for Child and Dependent Care, Capital Goods Excise Credit, Fuel Tax Credit for Commercial Fishers, Tax Credit for Research Activities, Motion Picture and Film Income Credit, Child Passenger Restraint System Credit, Renewable Energy Tech Credit, and much more.

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We strongly urge your committee to oppose HB 796 HD1. Thank you for the opportunity to testify.

TAX FOUNDATION OF HAWAII

735 Bishop Street, Suite 417

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: NET INCOME; Tax Credit Sunset Date or Annual Reduction

BILL NUMBER: HB 796 HD 1

INTRODUCED BY: House Committee on Economic Development

EXECUTIVE SUMMARY: Requires that income tax credits established or renewed after 12/31/2025 include a five-year sunset or an annual one-third reduction, beginning with the sixth year of the credit.

SYNOPSIS: Adds a new section to chapter 235, HRS, providing that any income tax credit established or renewed under this chapter after December 31, 2025, shall include either: (1) A five-year sunset date; or (2) Beginning with the sixth year of the credit, a one-third annual reduction in the credit amount allowed to be claimed, over a three-year period.

EFFECTIVE DATE: July 1, 3000.

STAFF COMMENTS: We have concerns over whether this bill, if enacted, would be effective. Normally a current legislature can't bind a future legislature, and later enacted legislation normally prevails over older legislation when the two conflict. Thus, if a future legislature were to pass a bill adding a new tax credit with neither a sunset nor a phaseout, and the bill were signed into law, the law would be effective with neither a sunset nor a phaseout.

We note that the State Auditor is required to review existing income tax credits under HRS sections 23-91 to 23-96 on a five-year rolling basis, and the reports issued by the Auditor are supposed to trigger legislative review. New credits are supposed to be added to the list in those sections of chapter 23, but none of these sections were amended after 2017.

Digested: 2/22/2025

HB-796-HD-1

Submitted on: 2/23/2025 2:56:29 PM

Testimony for FIN on 2/24/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Michael Golojuch, Jr. (he/him)	Pride at Work – Hawai‘i	Oppose	Written Testimony Only

Comments:

Aloha Representatives,

Pride at Work – Hawai‘i is an official chapter of [Pride at Work](#) which is a national nonprofit organization that represents LGBTQIA+ union members and their allies. We are an officially recognized constituency group of the AFL-CIO that organizes mutual support between the organized Labor Movement and the LGBTQIA+ Community to further social and economic justice.

Pride at Work – Hawai‘i opposes HB 796 HD 1 because we are standing in solidarity with our entertainment industry union ‘ohana.

We ask that you defer this piece of legislation.

In solidarity,

Michael Golojuch, Jr. (he/him)

President

[Pride at Work – Hawai‘i](#)

HB-796-HD-1

Submitted on: 2/24/2025 10:05:31 AM

Testimony for FIN on 2/24/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
T. George Paris	Ironworkers Stabilization Fund	Oppose	Written Testimony Only

Comments:

HB-796-HD-1

Submitted on: 2/22/2025 8:04:08 AM

Testimony for FIN on 2/24/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Sally "Kalei" Davis	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

I am Sally " Kalei " Davis. I oppose SB796.

I am a member of SAG/ AFTRA and have made a living here in Hawaii as an actress, stunt performer, standin and worked in casting since the 1980's.

There are currently NO productions being filmed here in Hawaii.

FOX has not decided if Rescue: HI Surf is being picked up. There are thousands of local jobs at stake. Please give them a reason to come back!

Hawaii based stories like Moana and Chief of War(about King Kamehameha) are being filmed in Atlanta or New Zealand. To compete for these films and tv series we MUST increase tax credits drastically, not eliminate them! This would destroy our film industry. Please vote NO on SB796.

With Aloha,

Kalei Davis

HB-796-HD-1

Submitted on: 2/22/2025 9:25:29 PM

Testimony for FIN on 2/24/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Lynn Murakami Akatsuka	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose HB 796, HD 1 and ask it be deferred. It will have unintended consequences of making it more difficult for local businesses, non-profits, and out-of-state businesses or organizations to consider remaining, opening or expanding their services or hiring of Hawai'i residents.

Please reduce taxes, fees, and surcharges and support these existing income tax credits to be continued, without a five-year sunset or annual one-third reduction of the tax credits.

Thank you for the opportunity to testify in strong opposition of HB 796, HD 1.

HB-796-HD-1

Submitted on: 2/22/2025 9:31:47 PM

Testimony for FIN on 2/24/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Patrick Ah Loy	Individual	Oppose	Written Testimony Only

Comments:

My name is Patrick Ah Loy, I'm a member of IATSE Local 665, the union representing technicians and artisans in the entertainment industry in Hawai'i. **I strongly oppose HB796 HD1**, relating to taxation.

This measure calls for the blanket repeal of income tax credits within 5 years or an annual one-third reduction of income tax credits across the board . Specifically, if passed, the bill will sunder our Hawai'i Motion Picture, Digital Media, and Film Production Income Tax Credit and drive work away. As written, this measure will have dire consequences, not just for the film industry, but for a wide swath of the population of Hawai'i, many of whom benefit in profound, life-altering ways from the tax credits, deductions, and exemptions that will disappear if we allow this measure to become law.

While I understand the immediate need for the state to conserve resources, the indiscriminate striking of every income tax credit will have devastating effects on Hawai'i's population and economy in the near and distant future. Taxes aren't just for collecting money. They are part of a social contract which enables the funding of public services and initiatives that improve the quality of life for the residents and working families of Hawai'i.

I strongly oppose HB796 HD1. I urge your committee to defer this bill. Thank you for the opportunity to testify.

In Solidarity,

Patrick Ah Loy

Aloha Chair Yamashita, Vice Chair Takenouchi, and members of the House committee on Finance,

My name is Arthur Reimer. I'm a member of IATSE Local 665, the union representing technicians and artisans in the entertainment industry in Hawai'i. **I strongly oppose HB796 HD1**, relating to taxation.

This measure calls for the blanket repeal of income tax credits within 5 years or an annual one-third reduction of income tax credits across the board . Specifically, if passed, the bill will sunder our Hawai'i Motion Picture, Digital Media, and Film Production Income Tax Credit and drive work away. As written, this measure will have dire consequences, not just for the film industry, but for a wide swath of the population of Hawai'i, many of whom benefit in profound, life-altering ways from the tax credits, deductions, and exemptions that will disappear if we allow this measure to become law.

While I understand the immediate need for the state to conserve resources, the indiscriminate striking of every income tax credit will have devastating effects on Hawai'i's population and economy in the near and distant future. Taxes aren't just for collecting money. They are part of a social contract which enables the funding of public services and initiatives that improve the quality of life for the residents and working families of Hawai'i.

I strongly oppose HB796 HD1. I urge your committee to defer this bill. Thank you for the opportunity to testify.

In Solidarity,

Arthur Reimer

HB-796-HD-1

Submitted on: 2/22/2025 10:16:16 PM

Testimony for FIN on 2/24/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Manuel Razon	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chair Yamashita, Vice Chair Takenouchi, and members of the House committee on Finance,

My name is Manuel Razon. I'm a member of IATSE Local 665, the union representing technicians and artisans in the entertainment industry in Hawai'i. **I strongly oppose HB796 HD1**, relating to taxation.

This measure calls for the blanket repeal of income tax credits within 5 years or an annual one-third reduction of income tax credits across the board . Specifically, if passed, the bill will sunder our Hawai'i Motion Picture, Digital Media, and Film Production Income Tax Credit and drive work away. As written, this measure will have dire consequences, not just for the film industry, but for a wide swath of the population of Hawai'i, many of whom benefit in profound, life-altering ways from the tax credits, deductions, and exemptions that will disappear if we allow this measure to become law.

While I understand the immediate need for the state to conserve resources, the indiscriminate striking of every income tax credit will have devastating effects on Hawai'i's population and economy in the near and distant future. Taxes aren't just for collecting money. They are part of a social contract which enables the funding of public services and initiatives that improve the quality of life for the residents and working families of Hawai'i.

I strongly oppose HB796 HD1. I urge your committee to defer this bill. Thank you for the opportunity to testify.

In Solidarity,

Manuel Razon

HB-796-HD-1

Submitted on: 2/22/2025 10:27:43 PM

Testimony for FIN on 2/24/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Chauncy Williams	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chair Yamashita, Vice Chair Takenouchi, and members of the House committee on Finance,

My name is Chauncy Williams. I'm a member of IATSE Local 665, the union representing technicians and artisans in the entertainment industry in Hawai'i. **I strongly oppose HB796 HD1**, relating to taxation.

This measure calls for the blanket repeal of income tax credits within 5 years or an annual one-third reduction of income tax credits across the board . Specifically, if passed, the bill will sunder our Hawai'i Motion Picture, Digital Media, and Film Production Income Tax Credit and drive work away. As written, this measure will have dire consequences, not just for the film industry, but for a wide swath of the population of Hawai'i, many of whom benefit in profound, life-altering ways from the tax credits, deductions, and exemptions that will disappear if we allow this measure to become law.

While I understand the immediate need for the state to conserve resources, the indiscriminate striking of every income tax credit will have devastating effects on Hawai'i's population and economy in the near and distant future. Taxes aren't just for collecting money. They are part of a social contract which enables the funding of public services and initiatives that improve the quality of life for the residents and working families of Hawai'i.

I strongly oppose HB796 HD1. I urge your committee to defer this bill. Thank you for the opportunity to testify.

In Solidarity,

Chauncy Williams

HB-796-HD-1

Submitted on: 2/22/2025 11:02:25 PM

Testimony for FIN on 2/24/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Eric Uyeda	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose HB796 HD1, which would impose a five-year sunset or phase-out of Hawai‘i’s film tax credits. This bill would undermine the state’s film industry, driving productions away, eliminating jobs, and destabilizing a sector that generates millions in local economic activity.

1. HB796 HD1 Creates Instability, Driving Productions Elsewhere

Film and TV productions require long-term financial planning. If Hawai‘i’s incentives are subject to expiration or reductions, major studios will choose more stable locations like Georgia and New Mexico, which offer permanent, predictable incentives. This bill sends a signal that Hawai‘i is an unreliable filming destination.

2. The Film Industry Is Still Recovering

After the pandemic, labor strikes, and economic downturns, Hawai‘i’s film workforce and businesses are still rebuilding. Instead of creating uncertainty, we should be strengthening our film economy to ensure long-term industry growth.

3. Film Incentives Provide a Strong Economic Return

Hawai‘i’s film tax credit generates over \$5 in local spending for every \$1 invested, supporting hotels, restaurants, transportation, and retail. Removing or reducing incentives will hurt local businesses, reduce job opportunities, and shrink overall production spending.

4. A Five-Year Sunset Is Too Short for Sustainable Growth

No major production hub operates under such restrictive conditions. States that commit to long-term industry development—like Georgia and New Mexico—continue to attract large-scale productions. Hawai‘i should improve its incentives, not impose limits that weaken its competitive edge.

Conclusion

HB796 HD1 will weaken Hawai‘i’s film industry, cost local jobs, and harm small businesses. I urge the committee to reject this bill and instead support policies that foster a strong, sustainable film economy in Hawai‘i.

Mahalo for your time and consideration.

HB-796-HD-1

Submitted on: 2/23/2025 7:22:08 AM

Testimony for FIN on 2/24/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Kevin Kersting	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chair Yamashita, Vice Chair Takenouchi, and members of the House committee on Finance,

My name is Kevin Kersting. I'm a member of IATSE Local 665, the union representing technicians and artisans in the entertainment industry in Hawai'i. **I strongly oppose HB796 HD1**, relating to taxation.

This measure calls for the blanket repeal of income tax credits within 5 years or an annual one-third reduction of income tax credits across the board . Specifically, if passed, the bill will sunder our Hawai'i Motion Picture, Digital Media, and Film Production Income Tax Credit and drive work away. As written, this measure will have dire consequences, not just for the film industry, but for a wide swath of the population of Hawai'i, many of whom benefit in profound, life-altering ways from the tax credits, deductions, and exemptions that will disappear if we allow this measure to become law.

While I understand the immediate need for the state to conserve resources, the indiscriminate striking of every income tax credit will have devastating effects on Hawai'i's population and economy in the near and distant future. Taxes aren't just for collecting money. They are part of a social contract which enables the funding of public services and initiatives that improve the quality of life for the residents and working families of Hawai'i.

I strongly oppose HB796 HD1. I urge your committee to defer this bill. Thank you for the opportunity to testify.

In Solidarity,

Kevin Kersting

HB-796-HD-1

Submitted on: 2/23/2025 7:42:20 AM

Testimony for FIN on 2/24/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Catherine Valdovino	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chair Yamashita, Vice Chair Takenouchi, and members of the House committee on Finance,

My name is Cathie Valdovino. I'm a member of IATSE Local 665, the union representing technicians and artisans in the entertainment industry in Hawai'i. **I strongly oppose HB796 HD1**, relating to taxation.

This measure calls for the blanket repeal of income tax credits within 5 years or an annual one-third reduction of income tax credits across the board . Specifically, if passed, the bill will sunder our Hawai'i Motion Picture, Digital Media, and Film Production Income Tax Credit and drive work away. As written, this measure will have dire consequences, not just for the film industry, but for a wide swath of the population of Hawai'i, many of whom benefit in profound, life-altering ways from the tax credits, deductions, and exemptions that will disappear if we allow this measure to become law.

While I understand the immediate need for the state to conserve resources, the indiscriminate striking of every income tax credit will have devastating effects on Hawai'i's population and economy in the near and distant future. Taxes aren't just for collecting money. They are part of a social contract which enables the funding of public services and initiatives that improve the quality of life for the residents and working families of Hawai'i.

I strongly oppose HB796 HD1. I urge your committee to defer this bill. Thank you for the opportunity to testify.

In Solidarity,

Cathie Valdovino

HB-796-HD-1

Submitted on: 2/23/2025 7:52:58 AM

Testimony for FIN on 2/24/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Victoria Cox	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chair Yamashita, Vice Chair Takenouchi, and members of the House committee on Finance,

My name is Victoria Kaplan I'm a member of IATSE Local 665, the union representing technicians and artisans in the entertainment industry in Hawai'i. **I strongly oppose HB796 HD1**, relating to taxation.

This measure calls for the blanket repeal of income tax credits within 5 years or an annual one-third reduction of income tax credits across the board . Specifically, if passed, the bill will sunder our Hawai'i Motion Picture, Digital Media, and Film Production Income Tax Credit and drive work away. As written, this measure will have dire consequences, not just for the film industry, but for a wide swath of the population of Hawai'i, many of whom benefit in profound, life-altering ways from the tax credits, deductions, and exemptions that will disappear if we allow this measure to become law.

While I understand the immediate need for the state to conserve resources, the indiscriminate striking of every income tax credit will have devastating effects on Hawai'i's population and economy in the near and distant future. Taxes aren't just for collecting money. They are part of a social contract which enables the funding of public services and initiatives that improve the quality of life for the residents and working families of Hawai'i.

I strongly oppose HB796 HD1. I urge your committee to defer this bill. Thank you for the opportunity to testify.

In Solidarity,

Victoria Kaplan

HB-796-HD-1

Submitted on: 2/23/2025 8:32:14 AM

Testimony for FIN on 2/24/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Kristin Sifton	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chair Yamashita, Vice Chair Takenouchi, and members of the House committee on Finance,

My name is [Kristin Sifton] I'm a member of IATSE Local 665, the union representing technicians and artisans in the entertainment industry in Hawai'i. I strongly oppose HB796 HD1, relating to taxation.

This measure calls for the blanket repeal of income tax credits within 5 years or an annual one-third reduction of income tax credits across the board. Specifically, if passed, the bill will sunset our Hawai'i Motion Picture, Digital Media, and Film Production Income Tax Credit and drive work away. As written, this measure will have dire consequences, not just for the film industry, but for a wide swath of the population of Hawai'i, many of whom benefit in profound, life-altering ways from the tax credits, deductions, and exemptions that will disappear if we allow this measure to become law.

While I understand the immediate need for the state to conserve resources, the indiscriminate striking of every income tax credit will have devastating effects on Hawai'i's population and economy in the near and distant future. Taxes aren't just for collecting money. They are part of a social contract which enables the funding of public services and initiatives that improve the quality of life for the residents and working families of Hawai'i.

I strongly oppose HB796 HD1. I urge your committee to defer this bill. Thank you for the opportunity to testify.

In Solidarity,

[Ikristin sifton

HB-796-HD-1

Submitted on: 2/23/2025 8:53:06 AM

Testimony for FIN on 2/24/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jeremy LeCain	Individual	Oppose	Written Testimony Only

Comments:

The IATSE Unions across America were considered essential workers and were told to get back to work during COVID-19. The I.A.T.S.E. is filled with numerous other unions and thousands of workers across America . These members went back to work under detrimental times risking health and life to create viewing content for millions and millions of people all over the planet . Too many Hawaii politicians think that the tourism and military Dollars is all they need to continue receiving their paychecks. Those terrorists and these military people, including everyone else on this island, all do the same thing every day when they sit down turn on the television to become entertained informed or just wind down for the day . Our industry consist more of just movies and television shows. We also do Hundreds of conventions almost every year, which bring in millions of other people not just for a vacation or military position . This Hawaiian islands IATSE union Membership of just around 800 people help to create hundreds of millions of dollars in revenue, taxes & help farms, small businesses, big businesses, airlines, hotels, transportation Everything . I strongly oppose This Bill I hope you do too sincerely,
Jeremy LeCain

HB-796-HD-1

Submitted on: 2/23/2025 9:15:55 AM

Testimony for FIN on 2/24/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Mark Petritz	Individual	Oppose	Written Testimony Only

Comments:

Why are you getting rid of income tax credits?

HB-796-HD-1

Submitted on: 2/23/2025 9:21:31 AM

Testimony for FIN on 2/24/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Lisa Kaanoi	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chair Yamashita, Vice Chair Takenouchi, and members of the House committee on Finance,

My name is Lisa Kaanoi. **I strongly oppose HB796 HD1**, relating to taxation.

This measure calls for the blanket repeal of income tax credits within 5 years or an annual one-third reduction of income tax credits across the board . Specifically, if passed, the bill will sunder our Hawai'i Motion Picture, Digital Media, and Film Production Income Tax Credit and drive work away. As written, this measure will have dire consequences, not just for the film industry, but for a wide swath of the population of Hawai'i, many of whom benefit in profound, life-altering ways from the tax credits, deductions, and exemptions that will disappear if we allow this measure to become law.

While I understand the immediate need for the state to conserve resources, the indiscriminate striking of every income tax credit will have devastating effects on Hawai'i's population and economy in the near and distant future. Taxes aren't just for collecting money. They are part of a social contract which enables the funding of public services and initiatives that improve the quality of life for the residents and working families of Hawai'i.

I strongly oppose HB796 HD1. I urge your committee to defer this bill. Thank you for the opportunity to testify.

In Solidarity,

Lisa Kaanoi

HB-796-HD-1

Submitted on: 2/23/2025 9:40:24 AM

Testimony for FIN on 2/24/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Travis Hoover	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chair Yamashita, Vice Chair Takenouchi, and members of the House committee on Finance,

My name is Travis Hoover. I'm a member of IATSE Local 665, the union representing technicians and artisans in the entertainment industry in Hawai'i. **I strongly oppose HB796 HD1**, relating to taxation.

This measure calls for the blanket repeal of income tax credits within 5 years or an annual one-third reduction of income tax credits across the board . Specifically, if passed, the bill will sunder our Hawai'i Motion Picture, Digital Media, and Film Production Income Tax Credit and drive work away. As written, this measure will have dire consequences, not just for the film industry, but for a wide swath of the population of Hawai'i, many of whom benefit in profound, life-altering ways from the tax credits, deductions, and exemptions that will disappear if we allow this measure to become law.

While I understand the immediate need for the state to conserve resources, the indiscriminate striking of every income tax credit will have devastating effects on Hawai'i's population and economy in the near and distant future. Taxes aren't just for collecting money. They are part of a social contract which enables the funding of public services and initiatives that improve the quality of life for the residents and working families of Hawai'i.

I strongly oppose HB796 HD1. I urge your committee to defer this bill. Thank you for the opportunity to testify.

In Solidarity,

Travis Hoover

HB-796-HD-1

Submitted on: 2/23/2025 9:50:24 AM

Testimony for FIN on 2/24/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Larry Schultz	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chair Yamashita, Vice Chair Takenouchi, and members of the House committee on Finance,

My name is Larry Schultz. I'm a member of IATSE Local 665, the union representing technicians and artisans in the entertainment industry in Hawai'i. I strongly oppose HB796 HD1, relating to taxation.

This measure calls for the blanket repeal of income tax credits within 5 years or an annual one-third reduction of income tax credits across the board . Specifically, if passed, the bill will sunder our Hawai'i Motion Picture, Digital Media, and Film Production Income Tax Credit and drive work away. As written, this measure will have dire consequences, not just for the film industry, but for a wide swath of the population of Hawai'i, many of whom benefit in profound, life-altering ways from the tax credits, deductions, and exemptions that will disappear if we allow this measure to become law.

While I understand the immediate need for the state to conserve resources, the indiscriminate striking of every income tax credit will have devastating effects on Hawai'i's population and economy in the near and distant future. Taxes aren't just for collecting money. They are part of a social contract which enables the funding of public services and initiatives that improve the quality of life for the residents and working families of Hawai'i.

I strongly oppose HB796 HD1. I urge your committee to defer this bill. Thank you for the opportunity to testify.

In Solidarity,

Larry Schultz

IATSE-Local 665, SAG-AFTRA

HB-796-HD-1

Submitted on: 2/23/2025 9:53:41 AM

Testimony for FIN on 2/24/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Koren Ferris	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

Please oppose HB 796 regarding tax credits. Tax credits for the motion picture industry keeps our family healthy and happy by providing employment. Please do not limit productions in Hawai'i by making them cost-prohibitive.

Mahalo,

Koren Ferris

HB-796-HD-1

Submitted on: 2/23/2025 9:56:46 AM

Testimony for FIN on 2/24/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Martial Kaanoi	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chair Yamashita, Vice Chair Takenouchi, and members of the House committee on Finance,

My name is Martial Kaanoi. I'm a member of IATSE Local 665, the union representing technicians and artisans in the entertainment industry in Hawai'i. **I strongly oppose HB796 HD1**, relating to taxation.

I have been an IATSE union member for the past 20 years. This is the first time in 20 years that I have been unemployed for such a long period of time. I have used up all of my unemployment benefits and will soon run out of medical coverage. Many union members have moved on to other employment outside of the entertainment industry and I too may have to move on to other employment elsewhere. I'm born and raised in Hawaii and would like to stay here with my wife and kids. My union reps. and friends that are film producers say that tax incentives or the lack thereof are the reasons why shows aren't coming to Hawaii. If there are any bills that you pass or reject that can help bring work to Hawaii, and employment to Hawaii residents, can you please consider that when making your decision. I feel that this bill will take money out of the pockets of those that have no money in their pockets. Please help.

I strongly oppose HB796 HD1. I urge your committee to defer this bill. Thank you for the opportunity to testify.

In Solidarity,

Marital Kaanoi

HB-796-HD-1

Submitted on: 2/23/2025 11:35:40 AM

Testimony for FIN on 2/24/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Lisa Higuchi	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chair Yamashita, Vice Chair Takenouchi, and members of the House committee on Finance,

My name is Lisa Higuchi. I'm a member of IATSE Local 665, the union representing technicians and artisans in the entertainment industry in Hawai'i. **I strongly oppose HB796 HD1**, relating to taxation.

This measure calls for the blanket repeal of income tax credits within 5 years or an annual one-third reduction of income tax credits across the board . Specifically, if passed, the bill will sunder our Hawai'i Motion Picture, Digital Media, and Film Production Income Tax Credit and drive work away. As written, this measure will have dire consequences, not just for the film industry, but for a wide swath of the population of Hawai'i, many of whom benefit in profound, life-altering ways from the tax credits, deductions, and exemptions that will disappear if we allow this measure to become law.

While I understand the immediate need for the state to conserve resources, the indiscriminate striking of every income tax credit will have devastating effects on Hawai'i's population and economy in the near and distant future. Taxes aren't just for collecting money. They are part of a social contract which enables the funding of public services and initiatives that improve the quality of life for the residents and working families of Hawai'i.

I strongly oppose HB796 HD1. I urge your committee to defer this bill. Thank you for the opportunity to testify.

In Solidarity,

Lisa Higuchi

HB-796-HD-1

Submitted on: 2/23/2025 11:59:12 AM

Testimony for FIN on 2/24/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Thomas h. Penny	Individual	Oppose	Written Testimony Only

Comments:

My name is Thomas H. Penny. I'm a member of IATSE Local 665, the union representing technicians and artisans in the entertainment industry in Hawai'i. **I strongly oppose HB796 HD1**, relating to taxation.

This measure calls for the blanket repeal of income tax credits within 5 years or an annual one-third reduction of income tax credits across the board . Specifically, if passed, the bill will sunder our Hawai'i Motion Picture, Digital Media, and Film Production Income Tax Credit and drive work away. As written, this measure will have dire consequences, not just for the film industry, but for a wide swath of the population of Hawai'i, many of whom benefit in profound, life-altering ways from the tax credits, deductions, and exemptions that will disappear if we allow this measure to become law.

While I understand the immediate need for the state to conserve resources, the indiscriminate striking of every income tax credit will have devastating effects on Hawai'i's population and economy in the near and distant future. Taxes aren't just for collecting money. They are part of a social contract which enables the funding of public services and initiatives that improve the quality of life for the residents and working families of Hawai'i.

I strongly oppose HB796 HD1. I urge your committee to defer this bill. Thank you for the opportunity to testify.

In Solidarity, Thomas H. Penny

HB-796-HD-1

Submitted on: 2/23/2025 1:00:12 PM

Testimony for FIN on 2/24/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Cristin Rachele	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chair Yamashita, Vice Chair Takenouchi, and members of the House committee on Finance.

My name is Cristin Rachele. I'm a member of IATSE Local 665, the union representing technicians and artisans in the entertainment industry in Hawai'i. **I strongly oppose HB796 HD1**, relating to taxation.

This measure calls for the blanket repeal of income tax credits within 5 years or an annual one-third reduction of income tax credits across the board . Specifically, if passed, the bill will sunder our Hawai'i Motion Picture, Digital Media, and Film Production Income Tax Credit and drive work away. As written, this measure will have dire consequences, not just for the film industry, but for a wide swath of the population of Hawai'i, many of whom benefit in profound, life-altering ways from the tax credits, deductions, and exemptions that will disappear if we allow this measure to become law.

While I understand the immediate need for the state to conserve resources, the indiscriminate striking of every income tax credit will have devastating effects on Hawai'i's population and economy in the near and distant future. Taxes aren't just for collecting money. They are part of a social contract which enables the funding of public services and initiatives that improve the quality of life for the residents and working families of Hawai'i.

I strongly oppose HB796 HD1. I urge your committee to defer this bill. Thank you for the opportunity to testify.

In Solidarity,

Cristin Rachele

IATSE local 665 member

HB-796-HD-1

Submitted on: 2/23/2025 1:31:06 PM

Testimony for FIN on 2/24/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Ishmail Hills	Individual	Support	Written Testimony Only

Comments:

Hi, my name is Ishmail Hills. This bill will greatly improve our economy in Hawai'i. It will provide more money for the state and put more people back to work. I myself got laid off. It has been almost a year of no work for myself. My family and I rely on productions that comes to the state.

The loss of this income tax credits I believe will have a negative impact on the state. 1000's of livelihoods will be upended due to the lack of productions coming to the state. Myself included.

Thank you,

Ishmail Hills

HB-796-HD-1

Submitted on: 2/23/2025 7:47:53 PM

Testimony for FIN on 2/24/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
John Bickel	Individual	Oppose	Written Testimony Only

Comments:

This legislation, if passed, would have far-reaching implications for various tax credits that support important sectors and initiatives in Hawaii. It has multiple potential negative impacts:

1. It could undermine efforts to achieve renewable energy goals and diversify the economy¹.
2. The bill may disproportionately affect working families who rely on credits such as the Credit for Low Income Household Renters and Credit for Child and Dependent Care Expenses¹.
3. It might hinder support for local businesses and impede progress on initiatives that benefit the public good¹.

One can argue that this blanket approach to tax credits fails to consider the unique purposes and impacts of individual credits. It could harm Hawaii's economy and disadvantage those who need these credits the most.

Therefore I oppose this bill.

HB-796-HD-1

Submitted on: 2/23/2025 8:37:44 PM

Testimony for FIN on 2/24/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Alexandra Fernandes	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chair Yamashita, Vice Chair Takenouchi, and members of the House committee on Finance,

My name is Alexandra Fernandes. I'm a member of IATSE Local 665, the union representing technicians and artisans in the entertainment industry in Hawai'i. **I strongly oppose HB796 HD1**, relating to taxation.

This measure calls for the blanket repeal of income tax credits within 5 years or an annual one-third reduction of income tax credits across the board . Specifically, if passed, the bill will sunder our Hawai'i Motion Picture, Digital Media, and Film Production Income Tax Credit and drive work away. As written, this measure will have dire consequences, not just for the film industry, but for a wide swath of the population of Hawai'i, many of whom benefit in profound, life-altering ways from the tax credits, deductions, and exemptions that will disappear if we allow this measure to become law.

While I understand the immediate need for the state to conserve resources, the indiscriminate striking of every income tax credit will have devastating effects on Hawai'i's population and economy in the near and distant future. Taxes aren't just for collecting money. They are part of a social contract which enables the funding of public services and initiatives that improve the quality of life for the residents and working families of Hawai'i.

I strongly oppose HB796 HD1. I urge your committee to defer this bill. Thank you for the opportunity to testify.

In Solidarity,

Alexandra Fernandes