
A BILL FOR AN ACT

RELATING TO TAXATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 235-17, Hawaii Revised Statutes, is
2 amended by amending subsection (o) to read as follows:
3 "(o) For the purposes of this section:
4 "Commercial":
5 (1) Means an advertising message that is filmed using
6 film, videotape, or digital media, for dissemination
7 via television broadcast or theatrical distribution;
8 and
9 (2) Includes a series of advertising messages if all parts
10 are produced at the same time over the course of six
11 consecutive weeks [~~;~~ and
12 (3) ~~Does not include an advertising message with Internet~~
13 ~~only distribution]~~.
14 "Digital media" means production methods and platforms
15 directly related to the creation of cinematic imagery and
16 content, specifically using digital means, including but not
17 limited to digital cameras, digital sound equipment, and



1 computers, to be delivered via film, videotape, interactive game
2 platform, or other digital distribution media.

3 "Post-production" means production activities and services
4 conducted after principal photography is completed, including
5 but not limited to editing, film and video transfers,
6 duplication, transcoding, dubbing, subtitling, credits, closed
7 captioning, audio production, special effects (visual and
8 sound), graphics, and animation.

9 "Production" means a series of activities that are directly
10 related to the creation of visual and cinematic imagery to be
11 delivered via film, videotape, or digital media and to be sold,
12 distributed, or displayed as entertainment or the advertisement
13 of products for mass public consumption, including but not
14 limited to scripting, casting, set design and construction,
15 transportation, videography, photography, sound recording,
16 interactive game design, and post-production.

17 "Qualified production":

18 (1) Means a production, with expenditures in the State,
19 for the total or partial production of a feature-
20 length motion picture, short film, made-for-television
21 movie, commercial, music video, interactive game,



1 television (including broadcast and streaming
2 platforms) series pilot, single season (up to twenty-
3 two episodes[+]) for broadcast television and up to
4 eight episodes for an ongoing series for streaming
5 platforms) of a [television] series [regularly] filmed
6 in the State [~~if~~]. If the number of episodes per
7 single season for a broadcast television series
8 exceeds twenty-two, and if the number of episodes per
9 single season for a streaming platform series exceeds
10 eight, additional episodes for the same season shall
11 constitute a separate qualified production[+].
12 "Qualified production" also includes a television or
13 streaming platform special, single [television]
14 episode that is not part of a television or streaming
15 platform series regularly filmed or based in the
16 State, national magazine show, [or] and national talk
17 show. For the purposes of subsections (d) and (l),
18 each of the aforementioned qualified production
19 categories shall constitute separate, individual
20 qualified productions; and
21 (2) Does not include:



- 1 (A) News;
- 2 (B) Public affairs programs;
- 3 (C) Non-national magazine or talk shows;
- 4 (D) Televised sporting events or activities;
- 5 (E) Productions that solicit funds;
- 6 (F) Productions produced primarily for industrial,
7 corporate, institutional, or other private
8 purposes; and
- 9 (G) Productions that include any material or
10 performance prohibited by chapter 712.





1 (11) Other direct production costs specified by the
2 department in consultation with the department of
3 business, economic development, and tourism;
4 provided that any government-imposed fines, penalties, or
5 interest that are incurred by a qualified production within the
6 State shall not be "qualified production costs". "Qualified
7 production costs" does not include any costs funded by any
8 grant, forgivable loan, or other amounts not included in gross
9 income for purposes of this chapter.

10 "Streaming platform" means an online provider of media
11 content that delivers the content via internet connection to the
12 subscriber's computer, television, or mobile device."

13 SECTION 2. Statutory material to be repealed is bracketed
14 and stricken. New statutory material is underscored.

15 SECTION 3. This Act, upon its approval, shall apply to
16 taxable years beginning after December 31, 2025; provided that
17 on January 1, 2033, this Act shall be repealed to coincide with
18 the repeal date of Act 88, Session Laws of Hawaii 2006, as
19 amended by Act 89, Session Laws of Hawaii 2013, as amended by
20 Act 143, Session Laws of Hawaii 2017, as amended by Act 217,
21 Session Laws of Hawaii 2022, and section 235-17, Hawaii Revised



H.B. NO. 1635

1 Statutes, shall be reenacted in the form in which it read on the
2 day before the effective date of Act 88, Session Laws of Hawaii
3 2006.

4

INTRODUCED BY:



JAN 20 2026



H.B. NO. 1635

Report Title:

Motion Picture, Digital Media, and Film Production Income Tax Credit; Commercial; Advertisement; Internet-only Distribution; Broadcast and Streaming Platforms

Description:

Makes broadcast and streaming platform productions and commercial advertisement productions with Internet-only distribution eligible to receive the Motion Picture, Digital Media, and Film Production Income Tax Credit.

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