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# A BILL FOR AN ACT

RELATING TO THE FILM INDUSTRY.

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

1        SECTION 1. The legislature finds that the practice of  
2 vertical filming, which refers to films and videos shot in a  
3 vertical orientation, has grown in popularity in recent years.  
4 The legislature further finds that capitalizing on the growing  
5 popularity of vertical filming could help ensure that Hawaii's  
6 film industry remains competitive and at the forefront of  
7 emerging trends. The legislature recognizes that there is a  
8 need to increase funding available to support the film industry,  
9 particularly through the Hawaii film and creative industries  
10 development special fund. The legislature also finds that the  
11 Hawaii film and creative industries development special fund  
12 receives funding through a fee collected from taxpayers claiming  
13 the motion picture, digital media, and film production income  
14 tax credit. Increasing this fee amount would create additional  
15 funding, which could be used to support vertical filming in the  
16 State by supporting set building, grant distribution, training,



1 workforce development, equipment access, and networking  
2 opportunities.

3 Accordingly, the purpose of this Act is to increase the fee  
4 collected from taxpayers claiming the motion picture, digital  
5 media, and film production income tax credit and require a  
6 portion of funds collected from the fee to be used to support  
7 the vertical film industry in the State.

8 SECTION 2. Section 201-113, Hawaii Revised Statutes, is  
9 amended by amending subsection (a) to read as follows:

10 " (a) There is established in the state treasury the Hawaii  
11 film and creative industries development special fund into which  
12 shall be deposited:

13 (1) Appropriations by the legislature;

14 (2) Donations and contributions made by private  
15 individuals or organizations for deposit into the  
16 fund;

17 (3) Grants provided by governmental agencies or any other  
18 source;

19 (4) Effective January 2, 2023, all revenues, fees, and  
20 charges from the processing of the motion picture,  
21 digital media, and film production income tax credit



1 pursuant to section 235-17; provided that eighty per  
2 cent of the funds collected pursuant to section  
3 235-17(k) shall be expended to support the vertical  
4 film industry in the State; and

5 (5) Effective July 1, 2022, all existing and future  
6 revenues, fees, and income received by the department  
7 from its management of public facilities that support  
8 media and entertainment workforce and business  
9 development, with the exception of the Hawaii film  
10 studio.

11 For the purposes of this subsection, "vertical film" means  
12 video content shot and presented in a portrait orientation with  
13 an image that is taller than it is wide, typically intended to  
14 be viewed on a smartphone screen."

15 SECTION 3. Section 235-17, Hawaii Revised Statutes, is  
16 amended by amending subsection (k) to read as follows:

17 "(k) Each taxpayer claiming a tax credit under this  
18 section shall submit to the department of business, economic  
19 development, and tourism a fee for the motion picture, digital  
20 media, and film production income tax credit in an amount equal  
21 to [0.2] one per cent of the tax credit claimed by the qualified



1 production no later than the deadline stated in subsection (c).  
2 The department of business, economic development, and tourism  
3 may prescribe the form and method by which this fee is remitted,  
4 including through electronic means. The fees collected under  
5 this subsection shall be deposited into the Hawaii film and  
6 creative industries development special fund under section 201-  
7 113."

8 SECTION 4. Statutory material to be repealed is bracketed  
9 and stricken. New statutory material is underscored.

10 SECTION 5. This Act, upon its approval, shall apply to  
11 taxable years beginning after December 31, 2026; provided that  
12 on January 1, 2033:

13 (1) Section 2 of this Act shall be repealed and section  
14 201-113, Hawaii Revised Statutes, shall be reenacted  
15 in the form in which it read on the day prior to the  
16 effective date of this Act; and

17 (2) Section 3 of this Act shall be repealed to coincide  
18 with the repeal date of Act 88, Session Laws of Hawaii  
19 2006, as amended by Act 89, Session Laws of Hawaii  
20 2013, as amended by Act 143, Session Laws of Hawaii  
21 2017, as amended by Act 217, Session Laws of Hawaii



1 2022, and section 235-17, Hawaii Revised Statutes,  
2 shall be reenacted in the form in which it read on the  
3 day before the effective date of Act 88, Session Laws  
4 of Hawaii 2006.

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INTRODUCED BY:

DLTT

JAN 28 2026



# H.B. NO. 2568

**Report Title:**

Vertical Filming; Motion Picture, Digital Media, and Film Production Income Tax Credit; Hawaii Film and Creative Industries Development Special Fund; Fees

**Description:**

Increases the fee amount collected from taxpayers claiming the Motion Picture, Digital Media, and Film Production Income Tax Credit and requires a portion of funds collected from the fee to be used to support the vertical film industry in the State.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

