

Honolulu, Hawaii

FEB 05 , 2026

RE: H.B. No. 2028  
H.D. 1

Honorable Nadine K. Nakamura  
Speaker, House of Representatives  
Thirty-Third State Legislature  
Regular Session of 2026  
State of Hawaii

Madame:

Your Committee on Labor, to which was referred H.B. No. 2028  
entitled:

"A BILL FOR AN ACT RELATING TO LABOR DAY,"

begs leave to report as follows:

The purpose of this measure is to establish a refundable tax credit for employers who provide a paid Labor Day holiday to construction workers.

Your Committee received testimony in support of this measure from the MK Advocacy Group, LLC; Hawaii Iron Workers Stabilization Fund; Onipa'a Consulting Group; and two individuals. Your Committee received comments on this measure from the Department of Taxation and Contractors License Board.

Your Committee finds that Hawaii's construction workers perform physically demanding and often hazardous labor that is essential to the development and maintenance of the State's infrastructure, yet many of these workers do not receive paid holidays, including Labor Day, which honors the contributions of working people. Your Committee further finds that placing the full cost of a paid Labor Day holiday on private employers may create a financial burden that discourages employers from offering this benefit. This measure addresses these challenges by creating a refundable tax credit that enables employers to provide



construction workers with a paid Labor Day holiday while mitigating associated costs.

Your Committee has amended this measure by:

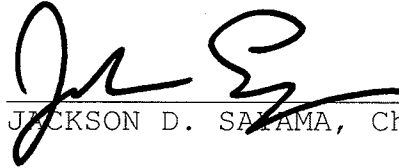
- (1) Changing the calculation of the tax credit to be an unspecified dollar amount per construction worker employed by the taxpayer;
- (2) Establishing a cap on the amount of credits issued per taxable year;
- (3) Making the tax credit nonrefundable;
- (4) Prohibiting a taxpayer claiming this tax credit from claiming a deduction or any other credit for the same qualified costs;
- (5) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee respectfully requests your Committee on Economic Development & Technology, should it deliberate on this measure, to consider expanding the types of workers a taxpayer employs to qualify for the tax credit.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2028, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2028, H.D. 1, and be referred to your Committee on Economic Development & Technology.



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



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JACKSON D. SALAMA, Chair



HSCR 17-26

<b>Bill/Resolution No.:</b> <div style="font-size: 1.2em; font-weight: bold;">HB 2028</div>	<b>Committee Referral:</b> <div style="font-size: 1.2em; font-weight: bold;">LAB, ECO, FIN</div>	<b>Date:</b> 2/3/26		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
<b>The recommendation is to:</b> <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
LAB Members	Ayes	Ayes (WR)	Nays	Excused
1. SAYAMA, Jackson D. (C)	X			
2. LEE, Mike (VC)	X			
3. GARRETT, Andrew Takuya	X			
4. KAPELA, Jeanne	X			
5. KONG, Sam Satoru	X			
6. REYES ODA, Julie	X			
<b>TOTAL (6)</b>	6			
<b>The recommendation is:</b> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: 0.8em;">committee acronym(s)</div>				
<b>Vice Chair's or designee's signature:</b> _____ <div style="text-align: center; font-size: 0.8em;"> </div>				
<b>Distribution:</b> Original (White) – Committee      Duplicate (Yellow) – Chief Clerk's Office      Duplicate (Pink) – HMSO				