

Honolulu, Hawaii

**MAY 1 2026**

RE: S.B. No. 2580  
S.D. 2  
H.D. 1  
C.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Third State Legislature  
Regular Session of 2026  
State of Hawaii

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

Sir and Madam:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 2580, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE MOTION PICTURE, DIGITAL MEDIA, AND FILM PRODUCTION INCOME TAX CREDIT,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to amend the Motion Picture, Digital Media, and Film Production Income Tax Credit by:

- (1) Increasing the amount of the tax credit;
- (2) Requiring each taxpayer claiming the tax credit to submit an independent third-party certification verifying certain information to the Department of Business, Economic Development, and Tourism;



- (3) Excluding qualified productions that incur at least \$60,000,000 of qualified production costs from the per-production cap amount of \$17,000,000;
- (4) Changing the aggregate cap amount to an unspecified amount;
- (5) Defining "streaming platform" and amending the definition of "qualified production" to include certain streaming productions; and
- (6) Extending the sunset date of the tax credit to January 1, 2038.

Your Committee on Conference finds that the global mobility of the film and television production industry and advancements in incentives offered by competing jurisdictions necessitate reforms to the State's Motion Picture, Digital Media, and Film Production Income Tax Credit to safeguard the local production market's competitive appeal. Your Committee on Conference further finds that greater utilization of the tax credit would incentivize the film industry to invest in the local workforce, creative talent, and culture, leading to a projected \$14.2 million increase in the State's gross domestic product and \$16.1 million rise in earnings. Accordingly, this measure implements comprehensive reforms to the Motion Picture, Digital Media, and Film Production Income Tax Credit to improve competitiveness, workforce development, and long-term industry stability.

Your Committee on Conference has amended this measure by:

- (1) Deleting language that would have increased the amount of the Motion Picture, Digital Media, and Film Production Income Tax Credit to twenty-seven percent of qualified production costs in any county with a population of over seven hundred thousand and to thirty-two percent of qualified production costs in any county with a population of seven hundred thousand or less;
- (2) Inserting language that provides an additional five percent of the qualified production costs incurred, as credit to qualified productions with a workforce of at least eighty percent local hires;
- (3) Increasing the total per-production tax credit cap amount to \$20,000,000;



- (4) Inserting \$60,000,000 as the new aggregate tax credit cap amount;
- (5) Providing that, beginning for costs incurred after December 31, 2023, if the total amount of tax credits claimed in a year is less than the aggregate cap amount, the cap for the subsequent year shall be increased by the unclaimed amount;
- (6) Deleting language that would have limited the definition of "streaming platform" to paid subscription services;
- (7) Inserting language that exempts from the general excise tax certain amounts received by a motion picture project employer from a client company that represent reimbursements for costs paid or incurred by the client company for reasonable employment-related costs of motion picture project workers or loan-out companies;
- (8) Making it effective upon its approval; and
- (9) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2580, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2580, S.D. 2, H.D. 1, C.D. 1.



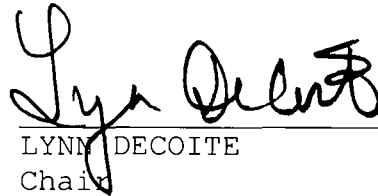
Respectfully submitted on behalf  
of the managers:

ON THE PART OF THE HOUSE

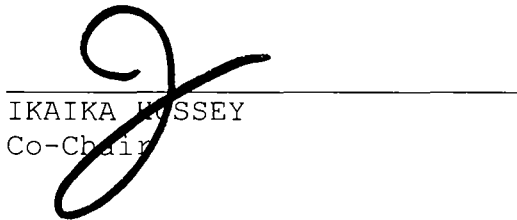
ON THE PART OF THE SENATE



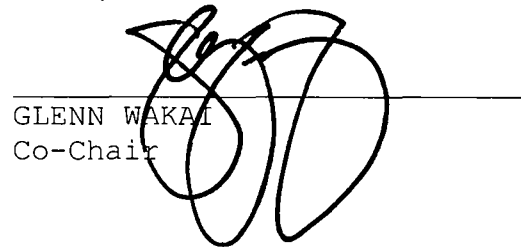
GREGGOR ILAGAN  
Co-Chair



LYNN DECOITE  
Chair



IKAIKA HUSSEY  
Co-Chair



GLENN WAKAI  
Co-Chair



Hawai'i State Legislature

Record of Votes of a  
Conference Committee

CR 202-26

|   |                                    |
|---|------------------------------------|
| Bill / Concurrent Resolution No.:<br><b>SB 2580, SD 2, HD 1</b> | Date/Time: <i>11:40 am 5/12/06</i> |
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The recommendation of the House and Senate managers is to pass with amendments (CD).

The Committee is reconsidering its previous decision.

The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure

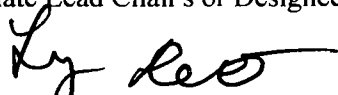
The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.

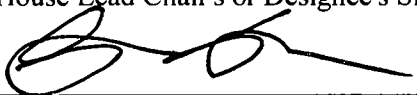
| Senate Managers       | A        | WR       | N        | E        | House Managers           | A        | WR       | N        | E        |
|-----------------------|----------|----------|----------|----------|--------------------------|----------|----------|----------|----------|
| DECOITE, Lynn, Chr.   | ✓        |          |          |          | ILAGAN, Greggor, Co-Chr. | ✓        |          |          |          |
| WAKAI, Glenn, Co-Chr. | ✓        |          |          |          | HUSSEY, Ikaika, Co-Chr.  | ✓        |          |          |          |
| FUKUNAGA, Carol       | ✓        |          |          |          | GEDEON, Joe              | ✓        |          |          |          |
| FEVELLA, Kurt         | ✓        |          |          |          |                          |          |          |          |          |
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| <b>TOTAL</b>          | <b>4</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>TOTAL</b>             | <b>3</b> | <b>0</b> | <b>0</b> | <b>0</b> |

A = Aye      WR = Aye with Reservations      N = Nay      E = Excused

Senate Recommendation is:  
 Adopted       Not Adopted

House Recommendation is:  
 Adopted       Not Adopted

Senate Lead Chair's or Designee's Signature:  


House Lead Chair's or Designee's Signature:  


Distribution:      **Original**      **Yellow**      **Pink**      **Goldenrod**  
*File with Conference Committee Report*      *House Clerk's Office*      *Senate Clerk's Office*      *Drafting Agency*