

JAN 23 2026

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 (d) to read as follows:
- 3 "(d) To qualify for this tax credit, a production shall:
- 4 (1) Meet the definition of a qualified production
5 specified in subsection (o);
- 6 (2) Have qualified production costs totaling at least
7 \$100,000;
- 8 (3) Complete at least fifteen per cent of the production's
9 principal photography and the production's post-
10 production in the State within the same taxable year
11 the production is qualifying for this tax credit;
- 12 ~~(3)~~ (4) Provide the State a qualified Hawaii promotion,
13 which shall be at a minimum, a shared-card, end-title
14 screen credit, where applicable;
- 15 ~~(4)~~ (5) Provide evidence of reasonable efforts to hire
16 local talent and crew;



1 [~~+5+~~] (6) Provide evidence when making any claim for
2 products or services acquired or rendered outside of
3 this State that reasonable efforts were unsuccessful
4 to secure and use comparable products or services
5 within this State;

6 [~~+6+~~] (7) Provide evidence of financial or in-kind
7 contributions or educational or workforce development
8 efforts, in partnership with related local industry
9 labor organizations, educational institutions, or
10 both, toward the furtherance of the local film and
11 television and digital media industries;

12 [~~+7+~~] (8) Provide evidence of reasonable efforts to comply
13 with all applicable requirements under title 14,
14 including tax return filing and payments; and

15 [~~+8+~~] (9) Provide complete responses to the department of
16 taxation's inquiries and document requests, in the
17 form prescribed by the department, no later than
18 ninety days from the inquiry or request;

19 provided that a taxpayer shall be given notice of and an
20 opportunity to cure any failure to meet the requirements of this
21 subsection, including chapter 237, within thirty days of receipt



1 of the notice; provided further that nothing in this subsection
2 shall be interpreted as waiving any act required by this
3 section."

4 SECTION 2. Statutory material to be repealed is bracketed
5 and stricken. New statutory material is underscored.

6 SECTION 3. This Act, upon its approval, shall apply to
7 taxable years beginning after December 31, 2026; provided that
8 on January 1, 2033, section 1 of this Act shall be repealed to
9 coincide with the repeal date of Act 88, Session Laws of Hawaii
10 2006, as amended by Act 89, Session Laws of Hawaii 2013, as
11 amended by Act 143, Session Laws of Hawaii 2017, as amended by
12 Act 217, Session Laws of Hawaii 2022, and section 235-17, Hawaii
13 Revised Statutes, shall be reenacted in the form in which it
14 read on the day before the effective date of Act 88, Session
15 Laws of Hawaii 2006.

16

INTRODUCED BY: Lynn DeCorte



S.B. NO. 2582

Report Title:

Motion Picture, Digital Media, and Film Production Income Tax Credit; Qualifications; Principal Photography; Post-production

Description:

Amends the requirements for productions to qualify for the Motion Picture, Digital Media, and Film Production Income Tax to include completing at least fifteen per cent of the production's principal photography and post-production in the State within the same taxable year the production is qualifying for the Tax Credit.

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