

Honolulu, Hawaii

**FEB 12**, 2026

RE: H.B. No. 1458  
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 Economic Development & Technology, to which was referred H.B. No. 1458 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION OF ADVERTISING REVENUE BY MAJOR SOCIAL MEDIA PLATFORMS,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Direct the Department of Taxation to apply the state corporate income tax to advertising revenue earned by major social media platforms if the revenue is derived from content created within the State or from audiences located in the State; and
- (2) Establish and appropriate funds into and out of the Broadband and Digital Equity Special Fund to receive those revenues to fund initiatives expanding broadband access and local journalism initiatives.

Your Committee received testimony in support of this measure from Free Press Action; Media Council Hawaii; Rebuild Local News; and Local Independent Online News Publishers. Your Committee received testimony in opposition to this measure from the Council on State Taxation. Your Committee received comments on this



measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that social media platforms derive a significant amount of revenue from advertising targeting Hawaii residents, utilizing Hawaii-based content, or involving Hawaii audiences. However, despite this revenue source, these platforms do not contribute adequately to the State's tax base. Your Committee further finds that broadband connectivity and local journalism are essential to civic engagement and economic growth. Accordingly, this measure seeks to tax revenue derived from certain social media content and allocate this additional revenue in a manner designed to address disparities in broadband access and strengthen journalism.

Your Committee has amended this measure by:

- (1) Amending the appropriation to only reflect Fiscal Year 2026-2027;
- (2) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development & Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1458, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1458, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.



Respectfully submitted on  
behalf of the members of the  
Committee on Economic  
Development & Technology,



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GREGGOR LAGAN, Chair



