

Honolulu, Hawaii
FEB 17 , 2026

RE: H.B. No. 1635
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. 1635 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to make broadcast and streaming platform productions and commercial advertisement productions with Internet-only distribution eligible to receive the Motion Picture, Digital Media, and Film Production Income Tax Credit.

Your Committee received testimony in support of this measure from the Creative Industries Division of the Department of Business, Economic Development, and Tourism; SAG-AFTRA Hawai'i Local; Pacific Invasion Media; 'Ohina Labs; Tyler Young Films, LLC; Island Film Group; IATSE 665; Donna's Detours-Private Tours of Oahu, LLC; Hawaii Media Inc.; CARES; and numerous individuals. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that expanding the eligibility of the Motion Picture, Digital Media, and Film Production Income Tax Credit to include broadcast and streaming platform productions



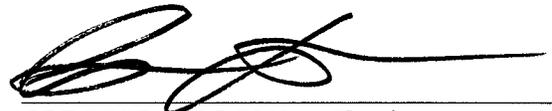
will foster greater economic diversification within the industry by attracting investments from technology companies and generating new opportunities for content creators, technicians, and marketing professionals.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (2) Making a technical, nonsubstantive amendment 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. 1635, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1635, H.D. 1, and be referred to your Committee on Finance.

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



GREGGOR ILAGAN, Chair



