

Honolulu, Hawaii

FEB 19 , 2026

RE: H.B. No. 1851  
H.D. 2

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. 1851, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to establish an Apprenticeship Program Income Tax Credit for certain qualified costs incurred by a qualified apprenticeship program.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations; Kohala Coast Resort Association; Hawaii Food Industry Association; Chamber of Commerce Hawaii; and Maui Chamber of Commerce. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that apprenticeship programs provide critical workforce training and help address labor shortages in key industries. Your Committee further finds that apprenticeship programs offer an attractive opportunity for Hawaii's young workforce and can help keep young professionals in the State. However, the costs associated with supporting apprenticeships can deter employer participation. This measure encourages the expansion of apprenticeship opportunities by establishing an income tax credit to help offset qualified program costs.



Your Committee has amended this measure by:

- (1) Inserting an aggregate cap for the Apprenticeship Program Income Tax Credit of \$1,500,000;
- (2) Inserting a sunset date of December 31, 2036; 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. 1851, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.B. No. 1851, H.D. 2.

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



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GREGGOR ILAGAN, Chair



