

Honolulu, Hawaii

MAR 06 , 2026

RE: H.B. No. 1939
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 Finance, to which was referred H.B. No. 1939, 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 amend the Motion Picture, Digital Media, and Film Production Income Tax Credit by:

- (1) Providing additional credits to qualified productions that have a workforce of at least eighty percent local hires, ramping up the local workforce threshold in subsequent taxable years of claiming the credit;
- (2) Providing additional credits for meeting an above-the-line workforce, infrastructure investment, indigenous content, or in-state post-production threshold;
- (3) Requiring independent third-party certification of qualified production costs for all film productions claiming the film tax credit;
- (4) Authorizing the Department of Business, Economic Development, and Tourism to waive the credit cap per qualified production for one qualified production each fiscal year; and



- (5) Requiring the Hawaii Film Office to submit an annual report to the Legislature.

Your Committee received testimony in support of this measure from the Office of the Governor; Hawaii State AFL-CIO; SAG-AFTRA Hawaii Local; Hawai'i Film Alliance; Hawaii Teamsters Local 996; 'Ohina Labs; Sacred Light 'Ohana; and numerous individuals. Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism; Department of the Attorney General; Department of Taxation; and Tax Foundation of Hawaii.

Your Committee has amended this measure by:

- (1) Clarifying that the additional credit amount may be claimed during the fourth consecutive year; and
- (2) 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1939, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1939, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



CHRIS TODD, Chair



