

Honolulu, Hawaii

FEB 18 , 2026

RE: H.B. No. 1941
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. 1941 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to amend the requirements for productions to qualify for the Motion Picture, Digital Media, and Film Production Income Tax Credit to include completing at least fifteen percent 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.

Your Committee received testimony in support of this measure from CARES; and five individuals. Your Committee received comments on this measure from the Department of Taxation; Department of Business, Economic Development, and Tourism; and Tax Foundation of Hawaii.

Your Committee finds that Hawaii's film industry presents an opportunity for economic growth and diversification in the State. Your Committee further finds that to promote economic development and job creation in this industry, Hawaii must evolve from a filming location to a full film production ecosystem. Your Committee recognizes that this transition will require incentivization of in-state production activities and finds that



adjusting the qualification requirements for the Motion Picture, Digital Media, and Film Production Income Tax Credit would support this goal.

Your Committee has amended this measure by:

- (1) Authorizing film productions to commit to completing the fifteen percent post-production requirement in the State in later taxable years, if the film productions otherwise qualify for the film tax credit; and
- (2) Changing the effective date to July 1, 3000, to encourage further discussion.

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. 1941, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1941, 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 ILACAN, Chair



