

Honolulu, Hawaii

FEB 17 , 2026

RE: H.B. No. 2037
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. 2037 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to increase the aggregate cap on credits allowed in any given year for the Motion Picture, Digital Media, and Film Production Income Tax Credit from \$50,000,000 to \$60,000,000.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Creative Industries Division of the Department of Business, Economic Development, and Tourism; SAG-AFTRA Hawai'i Local; 'Ohina Labs; Pride at Work - Hawai'i; ALA Hawaii; Kapolei Chamber of Commerce; Hawai'i Film Alliance; Tyler Young Films, LLC; Maui Chamber of Commerce; Hawaii Media Inc.; Donna's Detours - Private Tours of Oahu, LLC; 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 Hawaii's film and digital media production industry provides substantial economic benefits through local spending, job creation, and industry growth. Without



adjustments to Hawaii's film tax credit structure, the State risks losing productions to other jurisdictions that offer higher incentive value and greater certainty. This measure updates the annual film tax credit cap limit and extends the sunset of the tax credit to better reflect current production activity and demand.

Your Committee has amended this measure by:

- (1) Extending the sunset date of the film tax credit to January 1, 2038;
- (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. 2037, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2037, 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



