

Honolulu, Hawaii

FEB 19 , 2026

RE: H.B. No. 2568
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. 2568 entitled:

"A BILL FOR AN ACT RELATING TO THE FILM INDUSTRY,"

begs leave to report as follows:

The purpose of this measure is to increase the fee amount collected from taxpayers claiming the Motion Picture, Digital Media, and Film Production Income Tax Credit and require a portion of funds collected to be used to support the vertical film industry in the State.

Your Committee received testimony in support of this measure from IATSE 665; CARES; and two individuals. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism and Tax Foundation of Hawaii.

Your Committee finds that vertical filming, which refers to films and videos shot in vertical orientation, has grown in popularity in recent years and represents an opportunity for economic growth in Hawaii's film and creative industries. Your Committee further finds that the Hawaii Film and Creative Industries Development Special Fund is a key source of financial support for local film productions and receives funding through a



fee collected from taxpayers claiming the Motion Picture, Digital Media, and Film Production Income Tax Credit. This measure seeks to increase this fee and create a funding source to support vertical filming in the State.

Your Committee notes that expanding the funding sources of the Hawaii Film and Creative Industries Development Special Fund would complement this measure.

Accordingly, your Committee has amended this measure by:

- (1) Adding a provision that expands funding sources of the Hawaii Film and Creative Industries Development Special Fund to include revenues received through the management of the Hawaii Film Studio;
- (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. 2568, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2568, 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



