

Honolulu, Hawaii

MAR 06 , 2026

RE: H.B. No. 2575  
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 Finance, to which was referred H.B. No. 2575, 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:

- (1) Apply the retail or higher general excise tax or use tax rate to purchases or imports of new motor vehicles by rental car companies; and
- (2) Appropriate funds for a position within the Department of Taxation to identify, monitor, and collect the general excise tax from contractors awarded federal contracts for work performed in the State.

Your Committee received testimony in support of this measure from the Hawai'i State Teachers Association and Chamber of Progress. Your Committee received testimony in opposition to this measure from the Chamber of Commerce Hawaii; Kapolei Chamber of Commerce; Retail Merchants of Hawai'i; Hawaii Automobile Dealers Association; Enterprise Mobility; Pasha Hawaii; Hertz Corporation; Avis Budget Car Rental, LLC; Servco Pacific Inc.; JN Group; American Car Rental Association; and Independent Car Rental & P2P



Association. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

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. 2575, H.D. 1, and recommends that it pass Third Reading.

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



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CHRIS TODD, Chair



