

Honolulu, Hawaii

MAR 05 , 2026

RE: H.B. No. 2590
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. 2590, 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) Impose the manufacturing general excise tax rate on motion picture, digital media, and film productions and repeal the provision in the definition of "qualified production costs" that applied the term to mean costs incurred that are subject to the highest general excise tax rate;
- (2) Exempt from the general excise tax certain amounts received by a motion picture project employer from a client company equal to amounts that are disbursed by the motion picture project employer for employee wages, salaries, payroll taxes, insurance premiums, and employment benefits and payments to loan-out companies; and
- (3) Require persons making payment to a loan-out company and claiming the Motion Picture, Digital Media, and Film Production Tax Credit to deduct and withhold an amount



exceeding the amount actually due for all payments made to the loan-out company for services performed in the State.

Your Committee received testimony in support of this measure from the Creative Industries Division of the Department of Business, Economic Development, and Tourism; Motion Picture Association; Hawaii Teamsters Local 996; SAG-AFTRA Hawai'i Local; Hawai'i Film Alliance; Island Film Group; 'Ohina Labs; Hawai'i Media Inc.; and numerous individuals. Your Committee received comments on this measure from the Department of Taxation; Tax Foundation of Hawai'i; and one individual.

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. 2590, H.D. 1, and recommends that it pass Third Reading.

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



CHRIS TODD, Chair



