

Honolulu, Hawaii

FEB 12, 2026

RE: H.B. No. 2604
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 Culture & Arts, to which was referred H.B. No. 2604 entitled:

"A BILL FOR AN ACT RELATING TO PERFORMING ARTS,"

begs leave to report as follows:

The purpose of this measure is to establish a performing arts ticket surcharge on the sale of certain performing arts tickets, with revenues to be deposited into the Performing Arts Grants Special Fund.

Your Committee received testimony in support of this measure from the State Foundation on Culture and the Arts. Your Committee received testimony in opposition to this measure from the Hawaii Theatre Center and one individual. Your Committee received comments on this measure from the Department of the Attorney General; Department of Taxation; and Tax Foundation of Hawaii.

Your Committee finds that Hawaii's performing arts sector plays a vital role in fostering cultural expression, enhancing the visitor experience, and supporting economic activity throughout the islands. Although a Performing Arts Grants Program and Special Fund were established in 2025 to provide essential support for performances and events, long-term sustainability depends on a reliable funding mechanism. This measure creates a surcharge on certain ticket sales for commercial performing arts events, with



proceeds dedicated to the Performing Arts Grants Special Fund, ensuring continued growth and resilience of the State's performing arts community.

Your Committee has amended this measure by:

- (1) Clarifying that events performed by students enrolled at public charter schools are also not subject to the performing arts ticket surcharge;
- (2) Removing the reference to "Hawaii-based" regarding nonprofit organizations;
- (3) Clarifying the recordkeeping requirements to align with existing law;
- (4) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee notes the concerns of the Department of Taxation regarding the administrative difficulties of the allocation of surcharge revenue to the Performing Arts Grants Special Fund proposed by this measure and their request for an appropriation of a set dollar amount equivalent to the estimated surcharge revenue, although that estimate has not yet been determined. Your Committee further notes the Department of Taxation's recommendation for an effective date of January 1, 2027, to allow for form, instruction, and system changes.

As affirmed by the record of votes of the members of your Committee on Culture & Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2604, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2604, H.D. 1, and be referred to your Committee on Finance.



Respectfully submitted on
behalf of the members of the
Committee on Culture & Arts,



JEANNE KAPELA, Chair



