

STAND. COM. REP. NO. 1635-26

Honolulu, Hawaii

APR 01 , 2026

RE: H.C.R. No. 189

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.C.R. No. 189 entitled:

"HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF TAXATION TO CONDUCT A COMPREHENSIVE ANALYSIS OF CORPORATE INCOME REPORTING STRUCTURES, INCLUDING THE TREATMENT OF FOREIGN SUBSIDIARY INCOME, TO INFORM LONG-TERM FISCAL PLANNING,"

begs leave to report as follows:

The purpose of this measure is to request the Department of Taxation to conduct a comprehensive analysis of corporate income reporting structures, including the treatment of foreign subsidiary income, to inform long-term fiscal planning.

Your Committee received comments on this measure from the Department of Taxation.

Your Committee finds that there is a need for the Department of Taxation to identify whether federal or state law currently prevents the Department from accessing certain foreign subsidiary tax data necessary to conduct the analysis of foreign subsidiary income.

Your Committee further finds that the State relies on corporate income tax revenue to support essential public services, including public education, health care, infrastructure,


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environmental protection, and public safety. Your Committee also finds that careful, data-driven analysis of corporate income reporting practices can assist the State in evaluating long-term fiscal sustainability. Accordingly, this measure requests the Department of Taxation to conduct an analysis of corporate income reporting practices.

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 concurs with the intent and purpose of H.C.R. No. 189 and recommends that it be referred to your Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Economic  
Development & Technology,

  
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GREGGOR ILAGAN, Chair



