

Honolulu, Hawaii

APR 09 , 2026

RE: S.B. No. 2360
S.D. 1
H.D. 2

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 S.B. No. 2360, S.D. 1, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO STATE ENTERPRISE ZONES,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Amend the definition of "eligible business activity" for the purposes of the Enterprise Zone Program to include certain retail sales of tangible personal property, processing of certain value-added agricultural products, the Hawaii Food and Product Innovation Network, and the provision of certain professional services by health care professionals;
- (2) For taxable years beginning after December 31, 2026, extend the eligibility period of the state business tax credit for qualified businesses within state enterprise zones; and
- (3) Beginning January 1, 2028, extend the eligibility period of the general excise tax exemption for qualified businesses within state enterprise zones.



Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Department of Agriculture and Biosecurity; Business Development and Support Division of the Department of Business, Economic Development, and Tourism; Agribusiness Development Corporation; Chamber of Commerce Hawaii; Maui Chamber of Commerce; Hawai'i Farm Bureau; Land Use Research Foundation of Hawaii; Hawai'i Forest Association; Retail Merchants of Hawaii; Holomua Collaborative; Mana Up; HPM Building Supply; Title Guaranty of Hawai'i; aio Family of Companies; Hawaii Food Industry Association; Hawai'i Food+ Policy; and one individual. Your Committee received comments on this measure from the Department of Taxation; Department of the Attorney General; 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 S.B. No. 2360, S.D. 1, H.D. 2, and recommends that it pass Third Reading.

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



CHRIS TODD, Chair



