

Honolulu, Hawaii

MAR 25 , 2026

RE: S.B. No. 2580
S.D. 2
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 Economic Development & Technology, to which was referred S.B. No. 2580, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE MOTION PICTURE, DIGITAL MEDIA, AND FILM PRODUCTION INCOME TAX CREDIT,"

begs leave to report as follows:

The purpose of this measure is to amend the Motion Picture, Digital Media, and Film Production Income Tax Credit (tax credit) by:

- (1) Increasing the amount of the tax credit;
- (2) Requiring each taxpayer claiming the tax credit to submit an independent third-party certification verifying certain information to the Department of Business, Economic Development, and Tourism;
- (3) Excluding qualified productions that incur at least \$60,000,000 of qualified production costs from the per-production cap amount of \$17,000,000;
- (4) Changing the aggregate cap amount to an unspecified amount;



- (5) Defining "streaming platform" and amending the definition of "qualified production" to include certain streaming productions; and
- (6) Extending the sunset date of the tax credit to January 1, 2038.

Your Committee received testimony in support of this measure from the Office of the Governor; Department of Business, Economic Development, and Tourism; Creative Industries Division of the Department of Business, Economic Development, and Tourism; Honolulu Film Office; Retail Merchants of Hawaii; SAG-AFTRA Hawaii Local; IATSE Local 665; Hawaii Film Alliance; Hyperspective Studios, Inc.; C&C Security Inc.; Kapolei Chamber of Commerce; Directors Guild of America; Maui Chamber of Commerce; Hawai'i Island Chamber of Commerce; Hawai'i Film Alliance; Hawaii Media Inc.; Tyler Young Film, LLC; Hawai'i Nurses' Association, OPEIU Local 50; Waianae Coast Comprehensive Health Center; and numerous individuals. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that the film industry has become a globally mobile economic sector driven by tax incentives, infrastructure readiness, and workforce capacity. Your Committee further finds that over ninety countries offer film rebates ranging from twenty-five to forty percent and that many states are increasing and expanding tax credits and other incentives to ensure they remain competitive in attracting film productions and related economic activity. Your Committee recognizes that the Motion Picture, Digital Media, and Film Production Income Tax Credit only offers a twenty-two to twenty-seven percent credit, limiting Hawaii's ability to compete with other jurisdictions. This measure supports Hawaii's film industry by increasing the film tax credit amount, repealing certain caps, and expanding eligibility of the credit to streaming platforms.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.



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 is in accord with the intent and purpose of S.B. No. 2580, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2580, S.D. 2, H.D. 1, and be referred to your Committee on Finance.

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



GREGGOR ILAGAN, Chair



