



EXECUTIVE CHAMBERS
KE KE'ENA O KE KIA'ĀINA

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA

House Committee on Finance

Tuesday, March 03, 2026

10:00 a.m.

State Capitol, Conference Room 308 and Videoconference

In Support

House Bill No. 1939, HD1, Relating to Taxation

Chair Todd, Vice Chair Takenouchi, and Members of the House Committee on Finance:

The Office of the Governor **supports** House Bill No. 1939, HD1. This bill amends the Motion Picture, Digital Media, and Film Production Income Tax Credit to provide additional incentives for productions with at least 80% local hires, increasing to 82% in the third year and 85% in the fifth year; requires third-party certification of production costs; and authorizes DBEDT to waive the per-production credit cap for one production each fiscal year.

The Office of the Governor believes enhancing the Motion Picture, Digital Media, and Film Production Income Tax Credit would incentivize the film industry to invest in Hawai'i's local workforce, creative talent, and culture. By linking enhanced film tax credits to greater local participation, we ensure that economic benefits flow directly to Hawai'i residents. It reinforces the principle that public incentives should create local jobs and deliver meaningful returns to our communities.

Mahalo for the opportunity to provide testimony on this measure.



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**
KA 'ŌIHAŌA HO'ŌMOHALA PĀ'ŌIHAŌA, 'IMI WAIWAI
A HO'OMĀKA'IKĀ'I

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

JAMES KUNANE TOKIOKA
DIRECTOR

DANE K. WICKER
DEPUTY DIRECTOR

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Statement of
GEORJA SKINNER
Administrator, Creative Industries Division
Department of Business, Economic Development, and Tourism
before the
HOUSE COMMITTEE ON FINANCE

March 3, 2026
10:00 AM
State Capitol, Conference Room 308

In consideration of
HB1939 HD1
RELATING TO TAXATION

Chair Todd, Vice Chair Takenouchi, and members of the Committee. The Department of Business, Economic Development, and Tourism (DBEDT) offers comments on HB1939. DBEDT supports the measure's intent to strengthen Hawai'i's motion picture and digital media production tax credit program by encouraging local hiring, workforce development, cultural representation, and infrastructure investment. DBEDT respectfully offers the following comments to support effective implementation and fiscal clarity.

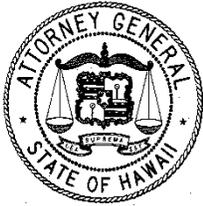
DBEDT notes that the additional workforce incentive beyond the third consecutive taxable year may warrant further clarification in light of existing credit allocation and deferral provisions, which generally limit productions to three years of credit claims. Clarification regarding the interaction of these provisions would help ensure the incentive functions as intended.

DBEDT also requests clarification regarding whether multiple incentive uplifts may be applied cumulatively and whether a maximum total credit amount is contemplated. Clear parameters would support fiscal predictability and administrative consistency.

In addition, clarification regarding the application of the \$17 million per-production cap waiver to split-year filers would assist with implementation, as credits may be claimed across more than two taxable years. DBEDT further requests guidance on objective criteria for selecting productions eligible for a cap waiver to promote transparency, fairness, and public confidence.

DBEDT appreciates the Legislature's continued commitment to strengthening Hawai'i's film and digital media production industry and encourages consideration of amendments that support the measure's goals while providing administrative clarity.

Thank you for the opportunity to provide testimony on this measure.



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
KA 'OIHANA O KA LOIO KUHINA
THIRTY-THIRD LEGISLATURE, 2026**

ON THE FOLLOWING MEASURE:

H.B. NO. 1939, H.D. 1, RELATING TO TAXATION.

BEFORE THE:

HOUSE COMMITTEE ON FINANCE

DATE: Tuesday, March 3, 2026

TIME: 10:00 a.m.

LOCATION: State Capitol, Room 308

TESTIFIER(S): Anne E. Lopez, Attorney General, or
Michael D. Dunford, Deputy Attorney General, or
Joshua J. Michaels, Deputy Attorney General

Chair Todd and Members of the Committee:

The Department of the Attorney General understands and supports the intent of the bill and provides the following comments.

This bill amends the motion picture, digital media, and film production tax credit to provide an additional five percent refundable tax credit for qualified production costs if a production employs at least eighty percent local hires (increasing to eighty-five percent over a five-year period). The bill also provides the greatest applicable additional credit as follows: five percent credit if at least thirty percent of the above-the-line workforce is comprised of local hires; three percent if the production invests in qualified infrastructure; three percent if the production features indigenous content; or two percent if the production conducts post-production in the State. The bill would also permit the Department of Business, Economic Development, and Tourism to waive the cap on the credit for one qualified production per fiscal year.

Provisions of this bill that provide tax credits to productions based on the percentage of local hires employed by a production (page 2, lines 3-19) may be subject to challenge under the Commerce Clause of the United States Constitution, which grants Congress the power to regulate commerce among the several States. U.S. Const. art I, § 8., cl. 3.

The Department is available to answer any questions the Committee may have. Thank you for the opportunity to provide comments.

JOSH GREEN M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION

Ka 'Oihana 'Auhau
P.O. BOX 259

HONOLULU, HAWAII 96809
PHONE NO: (808) 587-1540
FAX NO: (808) 587-1560

GARY S. SUGANUMA
DIRECTOR

KRISTEN M.R. SAKAMOTO
DEPUTY DIRECTOR

**TESTIMONY OF
GARY S. SUGANUMA, DIRECTOR OF TAXATION**

TESTIMONY ON THE FOLLOWING MEASURE:

H.B. No. 1939, H.D.1, Relating to Taxation

BEFORE THE:

House Committee on Finance

DATE: Tuesday, March 3, 2026

TIME: 10:00 a.m.

LOCATION: State Capitol, Room 308

Chair Todd, Vice-Chair Takenouchi, and Members of the Committee:

The Department of Taxation (DOTAX) offers the following comments regarding H.B. 1939, H.D.1, for your consideration.

H.B. 1939, H.D.1, amends the amount that may be claimed for the motion picture, digital media, and film production income tax credit ("Film Credit") under section 235-17, Hawaii Revised Statutes (HRS), by authorizing an additional 5 percent of the qualified production costs incurred when a qualified production uses a workforce of at least:

- 80 percent local hires in the first or second consecutive taxable year that the additional credit is claimed;
- 82 percent local hires in the third consecutive taxable year; and
- 85 percent local hires in the fifth consecutive taxable year.

The bill further authorizes a qualified production to claim an additional percentage, based on the greatest of either:

- 5 percent of qualified production costs if the above-the-line workforce is at least 30 percent local hires;

- 3 percent of qualified production costs for investments in qualified production infrastructure;
- 3 percent of qualified production costs if indigenous content is featured; or
- 2 percent of qualified production costs if post-production and filming is conducted in the State.

The Hawaii Film Office is required to collaborate with DOTAX to “establish policies to determine standards and minimum qualifications for investment in qualified production infrastructure and featuring of indigenous content” required to meet the 3 percent standards listed in the bullet points above.

“Above-the-line workforce” is defined as meaning the employees involved with the production of a qualified production whose salaries are negotiated before the commencement of production, including but not limited to actors, directors, producers, and writers.

H.B. 1939, H.D.1, also amends section 235-17(h), HRS, to require that all film productions claiming a credit obtain an independent third-party certification of qualified production costs in the form of a tax opinion, and submit it to Department of Business, Economic Development, and Tourism (DBEDT) by no later than January 1 of each year.

The bill also amends section 235-17(l), HRS, allowing DBEDT, under certain conditions, to waive the \$17,000,000 per qualified production credit cap.

Section 2 of the bill repeals section 6 of Act 143, Session Laws of Hawaii (SLH) 2017, which required film productions with production expenditures of \$1,000,000 or more to obtain an independent third-party certification of qualified production costs.

This measure has a defective effective date of July 1, 3000, and would apply to taxable years beginning after December 31, 2025. However, the act would be repealed on January 1, 2033, to coincide with the repeal of Act 88, SLH 2006, and its amendments. Section 235-17, HRS, will then be reenacted in the form in which it read on the day before the effective date of Act 88, SLH 2006.

DOTAX defers to DBEDT and the Film Office on their ability to implement the additional tax and reporting provisions into their certification processes.

DOTAX recommends that the effective date of the bill be amended to apply to “costs incurred” after December 31, 2025.

Thank you for the opportunity to provide comments on this measure.



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**
KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI
A HO'OMĀKA'IKAI

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Statement of
GEORJA SKINNER
Administrator, Creative Industries Division
Department of Business, Economic Development, and Tourism
before the
HOUSE COMMITTEE ON FINANCE

March 3, 2026
10:00 AM
State Capitol, Conference Room 308

In consideration of
HB1939 HD1
RELATING TO TAXATION

Chair Todd, Vice Chair Takenouchi, and members of the Committee. The Department of Business, Economic Development, and Tourism (DBEDT) offers comments on HB1939. DBEDT supports the measure's intent to strengthen Hawai'i's motion picture and digital media production tax credit program by encouraging local hiring, workforce development, cultural representation, and infrastructure investment. DBEDT respectfully offers the following comments to support effective implementation and fiscal clarity.

DBEDT notes that the additional workforce incentive beyond the third consecutive taxable year may warrant further clarification in light of existing credit allocation and deferral provisions, which generally limit productions to three years of credit claims. Clarification regarding the interaction of these provisions would help ensure the incentive functions as intended.

DBEDT also requests clarification regarding whether multiple incentive uplifts may be applied cumulatively and whether a maximum total credit amount is contemplated. Clear parameters would support fiscal predictability and administrative consistency.

In addition, clarification regarding the application of the \$17 million per-production cap waiver to split-year filers would assist with implementation, as credits may be claimed across more than two taxable years. DBEDT further requests guidance on objective criteria for selecting productions eligible for a cap waiver to promote transparency, fairness, and public confidence.

DBEDT appreciates the Legislature's continued commitment to strengthening Hawai'i's film and digital media production industry and encourages consideration of amendments that support the measure's goals while providing administrative clarity.

Thank you for the opportunity to provide testimony on this measure.



HAWAII STATE AFL-CIO

888 Mililani Street, Suite 501 • Honolulu, Hawaii 96813
Telephone: (808) 597-1441 • Fax: (808) 593-2149

March 3, 2026

The Thirty-Third Legislature
The House of Representatives
Committee on Finance

SUBJECT: TESTIMONY IN SUPPORT OF HB1939 HD1 – RELATING TO TAXATION

Chair Todd, Vice Chair Takenouchi, and members of the committee:

The Hawaii State AFL-CIO supports HB1939 HD1 because Hawaii's film tax credit must deliver lasting economic benefits for our local workforce and position the State to compete in today's film and television industry.

Hawaii has long been a sought-after filming destination. Productions such as Magnum P.I., Hawaii Five-0, and more recently, The Wrecking Crew, have relied on Hawaii's unique landscapes, skilled local crews, and established production infrastructure. That legacy reflects decades of workforce development and industry experience built here at home.

At the same time, Hawaii competes with other states and countries that offer aggressive and evolving incentive programs. Places like New Zealand provide screen production rebates that can reach significantly higher effective percentages than Hawaii's current credit structure. In a market where production decisions are driven by financial modeling, even modest differences in incentive design can influence where jobs and spending ultimately land.

Film and digital media production can support high-quality jobs across multiple crafts, from performers to crew and technical trades. A tax credit that reinforces local workforce participation and long-term industry capacity can help ensure that public investment strengthens Hawaii's economy rather than serving as a short-term attraction with limited lasting benefit.

Respectfully submitted,

A handwritten signature in black ink that reads "Randy Perreira". The signature is written in a cursive, flowing style.

Randy Perreira
President
Hawaii State AFL-CIO

March 3, 2026

Committee on Finance
Rep. Todd, Chair
Rep. Takenouchi, Vice Chair

The House
The Thirtieth-Third Legislature
Regular Session of 2026

[RE: HB 1939 HD1 - RELATING TO TAXATION.](#)

DATE: Tuesday, March 3, 2026

TIME: 8:30 am

PLACE: Conference Room 308

VIA Videoconference

State Capitol 415 South Beretania Street, Honolulu HI

Aloha Chair Todd, Vice Chair Takenouchi, and the Members of the Committee,

Thank you for the opportunity to testify in **SUPPORT** of [HB 1939 HD1 - RELATING TO TAXATION](#)

SAG-AFTRA represents over 1400 actors, recording artists, and media professionals in our state. We are the professional performers working in front of the camera and behind the microphone. The SAG-AFTRA Hawai'i Local has a long-standing history of protecting performers in all areas of the entertainment, advertising, and media industries.

This measure is about more than just stacking credits, like numbers on a balance sheet, it is about people. It is about whether we want Hawai'i to be a beautiful backdrop for Hollywood to use occasionally when it fits into their budget, or when a major powerhouse star wants to come home to work for a bit, or will we commit to making Hawai'i a **home** for a thriving, sustainable creative class. **HB 1939 anchors the industry in our local workforce.**

We support HB 1939 HD1 because:

Mericia Palma Elmore, Executive Director
SAG-AFTRA Hawaii Local
mericia.palmaelmore@sagaftra.org
201 Merchant St. Suite 2301
Honolulu, HI 96813
Ph: 808-596-0388 Fax: 808-593-2636

SCREEN ACTORS GUILD - AMERICAN FEDERATION
OF
TELEVISION AND RADIO ARTISTS
SAGAFTRA.org
Associated Actors & Artistes of America / AFL-CIO

- **It prioritizes local families:** The 5% bonus for hitting an 80% to 85% local hire threshold is an investment in Hawaii's families.
- **It empowers our storytellers:** By incentivizing "Above-the-Line" local hires, we encourage the industry to hire our writers, producers, and actors to create, manage, and perform in productions shot in their own backyard.
- **It honors our host culture:** The inclusion of incentives for indigenous content ensures that when stories are told here, they are told with the integrity they deserve.

One way the union advocates for members is by supporting and championing incentives to encourage filming in Hawai'i. Our talented performers want to work here at home. However, if there are no productions, many are forced to seek employment elsewhere. This not only means people leaving Hawai'i and decreased income tax to the state, it also diminishes our creative community.

HB 1939 is an investment that helps keep our best and brightest talents at home, and it is a step to truly diversifying our local economy.

Please don't hesitate to reach out to our offices for more information on how this measure impacts our members, your constituents.

Respectfully,

Mericia Palma Elmore

Mericia Palma Elmore, Executive Director SAG-AFTRA Hawai'i Local



**State of Hawai'i
The Thirty-Third Legislature
State House of Representatives
Committee on Finance (FIN)**

**Tuesday, March 3, 2026
10:00 AM – Room 308, HI State Capitol**

**TESTIMONY IN SUPPORT WITH AMENDMENTS OF HB 1939 HD 1
RELATING TO TAXATION**

Aloha Chair Todd, Vice Chair Takenouchi, and Members of the Committee,

Mahalo for the opportunity to testify on this measure. The Hawai'i Film Alliance (HFA) submits this testimony in **strong support of HB 1939 HD 1, with amendments** to strengthen its effectiveness, increase local hiring, and ensure Hawai'i remains competitive in attracting and sustaining film and television production.

The Hawai'i Film Alliance (HFA) is a member-based organization comprised of Hawai'i film and television professionals, creative workers, production companies, small businesses and industry partners who live and work in the State. Our members span the full production ecosystem from crew and talent to producers and support businesses who are directly impacted by the strength and stability of the Hawai'i film industry.

HB 1939 HD 1 represents a critical modernization of Hawai'i's Motion Picture, Digital Media, and Film Production Income Tax Credit. For decades, the credit has helped attract productions to Hawai'i, but today's global production market is more competitive than ever. Other jurisdictions, including Georgia, New Mexico, Canada, Australia, the United Kingdom and Aotearoa offer incentive structures in the 30% to 40% range. Hawai'i must evolve its incentive to remain competitive while ensuring that increased public investment produces stronger benefits for Hawai'i residents.

Additionally, HB 1939 HD 1 creates a pathway for productions to reach an effective credit value of up to 32% on O'ahu and 37% on Neighbor Islands when productions meet enhanced local hiring and economic investment thresholds. These tiered mechanisms are widely recognized as a requirement to secure and retain long-running television series and large-budget streaming projects that provide sustained, multi-year employment.

The bill's enhanced incentives for productions that hire at least 80 percent local crew are especially important. These provisions directly require that productions invest in Hawai'i's workforce rather than rely on imported labor. Hawai'i has developed a highly skilled and



experience production workforce over many decades. However, without targeted incentives, studios often continue to bring in non-resident department heads, creative leadership and specialized crew. Rewarding productions that hire locally strengthens career pathways for residents, keeps wages circulating within the local economy and builds long-term industry capacity.

We also strongly support provisions that reward productions for hiring local above-the line talent and crew, conducting post-production in Hawai'i, investing in qualified production infrastructure, and incorporating indigenous and culturally grounded storytelling. These provisions recognize that a sustainable industry requires not only production activity, but also leadership opportunities, permanent infrastructure and creative ownership rooted in Hawai'i.

In addition to supporting the structure of HB 1939 HD 1, we respectfully request that the incorporation of several key provisions reflected in related legislation, including those that further strengthen Hawai'i's competitiveness and maximize local economic benefits.

We support the following amendments:

1. Increasing the effective incentive value to 32% on O'ahu and 37% on Neighbor Islands when meeting local thresholds.
2. Providing retroactive eligibility to January 1, 2026. Doing so ensures that projects currently in development can confidently choose Hawai'i and benefit from the gains of the incentive structure immediately. Without it, Hawai'i risks losing projects already in negotiations.
3. Waiving the per-production cap for productions that achieve \$60M in qualified spend.
4. Maintaining and strengthening incentives tied to 80% of local hires, especially above-the-line hires. Definitions are needed by using objective and administrable criteria such as HI income tax residency or wages subject to Hawai'i withholding.
5. Streamlining the film tax credit by removing the tiered requirements for subsequent increases of local hires each year. Making the tax credit easy to utilize makes it more efficient.
6. Encouraging investment in local production infrastructure.
7. Encouraging post-production work within Hawai'i.

While we strongly support the intent of the bill, HFA respectfully recommends the technical amendments above.

Alongside other measures aimed at improving the state's film industry, HB 1939 HD 1 sends a clear message that Hawai'i is serious about supporting its workforce and maintaining a fair, competitive environment for production.

Mahalo for the opportunity to provide testimony. **HFA respectfully requests that the provided amendments be implemented before passing HB 1939 HD1.**



HAWAII FILM ALLIANCE

LIGHTS CAMERA ALOHA

HB-1939-HD-1

Submitted on: 3/1/2026 8:53:02 AM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Genaro Hale Gualdarama	Hawaii Teamsters Local 996	Support	Written Testimony Only

Comments:

In support of bill HB1939.

TAX FOUNDATION OF HAWAII

735 Bishop Street, Suite 417

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: INCOME, Enhance Motion Picture Production Income Tax Credit for Local Workforce, Local Production Infrastructure Incentive, Indigenous Content, or Local Post-Production

BILL NUMBER: HB 1939 HD1

INTRODUCED BY: ECD

EXECUTIVE SUMMARY: Amends the Motion Picture, Digital Media, and Film Production Income Tax Credit by providing additional credits to qualified productions that have a workforce of at least eighty per cent local hires and that either have an above-the-line workforce of at least thirty per cent local hires, invest in qualified production infrastructure, feature indigenous content, or conduct post-production in the State; establishing that the minimum local hires requirement will increase to eighty-two per cent in the third consecutive taxable year that the additional credit is claimed and to eighty-five per cent in the fifth consecutive taxable year; authorizing the Department of Business, Economic Development, and Tourism to waive the credit cap per qualified production for one qualified production each fiscal year; and requiring the Hawai'i Film Office to submit an annual report to the Legislature.

SYNOPSIS: Amends section 235-17, HRS, to allow the following additional credits:

An additional 5% of the qualified production costs incurred by a qualified production with a workforce of at least:

- (A) Eighty per cent local hires in the first taxable year or second consecutive taxable year that the additional credit amount is claimed;
- (B) Eighty-two per cent local hires in the third consecutive taxable year that the additional credit amount is claimed; and
- (C) Eighty-five per cent local hires in the fifth consecutive taxable year that the additional credit amount is claimed.

In addition, the bill allows the greatest of either:

- (A) Five per cent of the qualified production costs incurred by a qualified production with an above-the-line workforce of at least thirty per cent local hires;
- (B) Three per cent of the qualified production costs incurred by a qualified production that invests in qualified production infrastructure;
- (C) Three per cent of the qualified production costs incurred by a qualified production that features indigenous content; or

(D) Two per cent of the qualified production costs incurred by a qualified production that conducts post-production in the State for qualified productions filmed in the State.

Provides that the Hawaii film office, in collaboration with the department of taxation shall establish policies and standards for qualification of “qualified production infrastructure” in (B) and indigenous content in (C) above.

Defines "above-the-line workforce" as the employees involved with the production of a qualified production whose salaries are negotiated before the commencement of production, including but not limited to actors, directors, producers, and writers.

Allows DBEDT to waive the \$17 million per-production credit cap for one qualified production each fiscal year; but the production company will be limited to 70% of the aggregate cap (currently \$50 million) and no qualified production shall have the cap waived for more than two fiscal years.

Repeals section 6 of Act 143, Session Laws of Hawaii 2017 that required independent third-party certifications only for production expenditures in excess of \$1 million. This repeal will result in requiring third-party certifications for all production expenditures qualifying for the credit.

EFFECTIVE DATE: July 1, 2025 for taxable years beginning after December 31, 2025; sunsets on January 1, 2033.

STAFF COMMENTS: We in Hawaii have had our production credit since 1997, so it's been more than twenty years. Have there been any studies about what the program has done for Hawaii's economy or Hawaii's tax revenue? None were cited to the Legislature when the Hawaii production tax credit was increased in 2013. Maybe we don't care as much about the hard dollars as we do about other intangible effects like local jobs, the development of a skilled workforce, or robust media education programs that simply weren't around at the turn of the century. Even if so, lawmakers should have data on these intangibles, and other cost-benefit information, so they can make rational decisions on this matter.

Certainly, the film industry promises increased opportunities. Some of them certainly have materialized. But chasing these opportunities needs to be balanced against the cold hard reality of solving the problems at hand. Lawmakers need to ask whether production tax credits create sustainable economic development. It's well known that most productions shoot for a while and then wrap; the crew that supports the production then jumps to the next one. A case may be made for the production credits if they keep the productions rolling in and contributing to the economy. But the people need to see that case to justify continued redirection of resources to these credits while those resources could instead lower the overall tax burden not only for families but for the businesses that provide long-term employment for Hawaii's people.

Digested: 3/1/2026



Testimony in Support of HB1939 (HD1)

Aloha Chair, Vice Chair, and Members of the Committee,

'Ohina Labs strongly supports HB1939 (HD1).

As a Hawai'i-based nonprofit dedicated to developing Pacific Islander and Indigenous filmmakers, we believe this measure represents a smart evolution of the Motion Picture, Digital Media, and Film Production Income Tax Credit. HB1939 strengthens the incentive program by prioritizing local workforce development, accountability, and long-term economic impact.

1. Incentivizing Deep Local Hiring

Providing additional credits to productions that achieve at least 80% local hires and gradually increasing that threshold to 82% and 85% in subsequent years, creates a powerful and responsible incentive structure.

This approach:

- Encourages meaningful investment in Hawai'i's workforce rather than short-term labor importation.
- Builds career pathways for residents in high-skill, high-wage creative and technical fields.
- Promotes sustainability by motivating productions to cultivate long-term relationships with local crew.

For organizations like us, 'Ohina Labs, which focus on talent pipelines and professional development, this bill directly aligns with our mission. It rewards productions that invest in the people who live here.

It also helps 'Ohina make the jump from incubating short films to incubating feature films and tv show projects. Expanding the scope of what we can offer our local storytellers.

2. Independent Third-Party Certification

Requiring independent third-party certification of qualified production costs for all productions claiming the credit enhances transparency and public trust.

Tax credits are a major public investment. Certification ensures:

- Accurate reporting of qualified expenditures

- Consistent compliance standards
- Protection of the integrity and longevity of the incentive program

Strong oversight protects the credibility of Hawai'i's production sector and ensures continued legislative and public support.

3. Strategic Flexibility for Transformational Projects

Authorizing DBEDT to waive the credit cap for one qualified production per fiscal year provides targeted flexibility. This tool allows the State to compete for a transformational project—one that could bring significant economic activity, workforce expansion, and infrastructure growth—without permanently altering the program's structure.

When used strategically, this flexibility can catalyze long-term industry development rather than one-off production spikes.

HB1939 recognizes that the film tax credit should not simply attract productions; it should build an industry. By rewarding higher local hire percentages, strengthening oversight, and enabling strategic growth opportunities, this measure prioritizes workforce development, economic diversification, and long-term capacity.

For Hawai'i's emerging filmmakers and crew, many of whom come through programs like ours, this bill signals that the State values their participation in the creative economy.

'Ohina Labs respectfully urges the Committee to pass HB1939 (HD1).

Mahalo for the opportunity to testify.

Gerard Emore



SACRED LIGHT 'OHANA

March 2nd, 2026

Aloha Chair and Members of the Committee,

Mahalo for the opportunity to provide testimony and for your continued service to our communities. I respectfully submit testimony in **strong support of HB1939 HD1**.

My name is La'akea Ching. I am a Hawai'i-based creative producer, filmmaker, and the Founder and Executive Director of Sacred Light 'Ohana, an organization dedicated to building global pathways for Hawai'i's creative community through workforce development, education, and culturally grounded creative programming. Through mentorship, industry exposure, and collaborative programming, our work helps local creatives access global-level opportunities while remaining rooted at home and grounded in their identity. By advancing workforce development alongside culturally grounded storytelling, we aim to help build a sustainable creative ecosystem where careers can grow locally while contributing to Hawai'i's broader economic diversification.

Through my work in film production and documentary storytelling in both Hawai'i and international settings, I have seen firsthand how media production can serve as a powerful driver of workforce development and economic opportunity when local participation is intentionally supported. Regions that invest in local talent pipelines benefit not only from short-term production spending, but from long-term skill development, professional retention, and sustainable creative industries. Hawai'i possesses extraordinary creative talent, yet many emerging professionals still face barriers to consistent pathways into film and media careers within the state. Without sustained infrastructure that supports local workforce development and storytelling, Hawai'i will continue to lose creative talent and generational stories to other markets better equipped to support these careers and narratives.

HB1939 HD1 strengthens the connection between production activity and workforce opportunity by encouraging local hiring, skill development, and greater participation by Hawai'i residents. Prioritizing locally rooted storytelling also helps align economic investment with cultural stewardship. When Indigenous voices and community perspectives are supported within media production, the resulting work reflects authentic narratives while creating meaningful professional opportunities for local artists, educators, and cultural practitioners.

Mahalo again for your time and thoughtful consideration of this important measure. I respectfully urge the Committee to pass HB1939 HD1.

With appreciation,

La'akea Ching

Founder & Executive Director

HB-1939-HD-1

Submitted on: 2/27/2026 4:01:38 PM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Sean Spencer	Individual	Support	Written Testimony Only

Comments:

I support HB1939 HD1.

HB-1939-HD-1

Submitted on: 2/27/2026 5:01:43 PM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Keoni Shizuma	Individual	Support	Written Testimony Only

Comments:

Aloha,

I am testifying in support of HB1939.

I appreciate and support this bill as the focus is incentivizing the hiring of resident employees in the film industry. While I understand that growing the film industry will have multiple impacts on local economy, even greater impacts will be felt when we incentivize the hiring of larger amount of resident employees.

I think this is needed to keep the film industry headed in the right direction, encouraging the growth of our local skillsets, quality of our productions, and strength of the film industry in Hawaii.

Mahalo for your consideration,
Keoni Shizuma

HB-1939-HD-1

Submitted on: 2/27/2026 7:04:01 PM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Soraya-Elena Perez	Individual	Support	Written Testimony Only

Comments:

Aloha,

My name is Soraya-Elena Perez and I support this bill. I believe this bill provides options for producers to “stack” their credits as an incentive for hiring local. It encourages producers to consider more local actors for principal and supporting roles.

Mahalo

Soraya

HB-1939-HD-1

Submitted on: 2/27/2026 7:35:23 PM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Shereen Balles	Individual	Support	In Person

Comments:

Aloha mai Kākou,

My name is Shereen Balles and I am in Support of House Bill 1939.

This Bill provides options for producers to “stack” their credits as an incentive for hiring local. It encourages producers to consider more local actors for principal and supporting roles.

Mahālo nūnui for hearing HB 1939.

Me ke Aloha Pumehana Pau'ole,

Shereen Balles

HB-1939-HD-1

Submitted on: 2/28/2026 2:18:49 PM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Joshua Meredith	Individual	Support	Written Testimony Only

Comments:

My name is Joshua J. Meredith. I'm a Maui resident and member of IATSE Local 665, the union representing technicians and artisans in the entertainment industry in Hawai'i. I strongly support HB 1939.

HB-1939-HD-1

Submitted on: 2/28/2026 2:45:25 PM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Randall Yokota	Individual	Support	Written Testimony Only

Comments:

Aloha. I am in support of bill HB1939. Because, this will incentivizes the film producing even more to hire local talent. This will increase the chances for more hiring of our great local talent that we have here in Hawai'i. Our local talents are being spotlight nationally and internationally, right now. We should be riding that wave while it's there. But wait for another swell to come. Because we don't know when that's going to happen. And then, there will be more locals having to move away from the islands to look for work. So, let's keep the locals working. Let's get this bill passed. Mahalo for your time.

HB-1939-HD-1

Submitted on: 2/28/2026 7:49:20 PM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Christopher Wiecking	Individual	Support	In Person

Comments:

My name is Christopher Wiecking and I am a 27year member of IATSE Local 665 in Hawaii. I am submitting my testimony in support of HB1939. Hiring local labor keeps the money here in Hawaii where it belongs. Thank you for your time.

HB-1939-HD-1

Submitted on: 2/28/2026 7:54:14 PM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jean Simon	Individual	Support	Written Testimony Only

Comments:

Aloha,

I strongly SUPPORT HB1939.

This bill is designed to incentivize the film industry to hire local for crew and cast. As a local actress, this is very important. Note - this doesn't mandate local hiring, it incentivizes it.

Producers can earn additional credits under this bill for hiring locally. It's a win-win for the production company and local workers.

Mahalo,

Jean Simon

HB-1939-HD-1

Submitted on: 2/28/2026 8:25:26 PM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Eric Uyeda	Individual	Support	Written Testimony Only

Comments:

Chair, Vice Chair, and Members of the Committee:

I submit this testimony in support with amendments. This bill moves in the right direction — it adds performance bonuses for local hiring, raises the annual cap to \$50 million, and introduces third-party cost certification. These are meaningful improvements over the current flat-credit structure. But measured against what a competitive, accountable program actually requires, this bill has significant gaps that must be addressed before it can deliver on its promise.

What the bill gets right. The tiered local hire bonus — 5% additional credit for productions reaching 80% local crew, escalating to 85% over five years — is the right idea. It ties public money to demonstrated local investment rather than just presence. The \$50 million annual cap is a recommended starting point. And requiring independent third-party certification of all qualified production costs, not just those over \$1 million as under current law, closes an audit gap that has allowed misrepresentation to go unchecked.

Where it falls short — and what needs to be fixed.

The local hire thresholds are too high and too narrow. The bill only awards the bonus at 80% local crew — with no credit for productions reaching 65%, 70%, or 75%. This all-or-nothing structure will disqualify the majority of mid-sized productions that could realistically hit 65-75% local crew but not 80%, eliminating exactly the productions most likely to grow the local workforce over time. A tiered structure — +2% at 65%, +3% at 75%, +4% at 80% — rewards incremental investment and brings more productions into the local hiring pipeline. This bill should adopt this graduated approach.

The above-the-line bonus is weak and easily gamed. A 5% credit for 30% above-the-line local hires sounds significant — but above-the-line is a small category dominated by directors,

producers, and writers whose deals are often locked before a production ever arrives in Hawai‘i. Productions can satisfy this threshold with a single locally-attached producer while flying in every department head, lead actor, and director of photography from the mainland. The credit should require locally-based key creatives with verifiable prior Hawai‘i production credits — not just a headcount of above-the-line workers.

There is no GET rental relief for local vendors. This bill provides no relief for the GET pyramiding that structurally disadvantages Hawai‘i-based equipment rental vendors against mainland suppliers. Local vendors pay GET when they purchase equipment and again every time it is rented, with no offset — making them more expensive than imported alternatives and quietly pushing productions to bring gear from the mainland. This is the single most damaging structural flaw for local vendors, and a bill adding local hire incentives without addressing it is incomplete. A GET exemption for qualified production equipment rentals from Hawai‘i-incorporated vendors must be included.

The cap waiver provision is a policy failure. Section (l) allows DBEDT to waive the \$17 million per-production cap for one production per fiscal year — with the only guardrail being a report to the Legislature. There is no independence, no criteria, and no cap on the waived amount beyond 70% of the annual total. A single politically connected production could absorb \$35 million of the \$50 million annual cap with a waiver and a memo. A different approach — a separate \$20 million Major Film Incentive pool for productions over \$120 million, drawing from a dedicated pool with its own cap — protects the general program from being monopolized by a single production. This bill should adopt that structure and eliminate the discretionary waiver.

The sunset date is a competitive liability. The bill repeals on January 1, 2033 — less than seven years away. Competing states offer programs with no sunset or with performance-based reevaluation cycles. A production planning a multi-year television series will not commit to Hawai‘i if the incentive evaporates mid-run. A five-year performance reevaluation cycle — which adjusts and expands the program based on demonstrated ROI rather than ending it — is the right model. Replace the hard sunset with a performance-based reevaluation.

Reporting goes to the Film Office — the wrong body. The annual report requirements in subsection (o) are assigned to the Hawaii Film Office. The Film Office’s administration of this incentive is exactly what this bill is supposed to improve upon. Reporting should flow through an independent body with no interest in favorable numbers. At minimum, the report must include resident versus non-resident payroll ratios and vendor expenditure certifications — data that reveals whether the local hire credits are actually producing local jobs, which the current reporting framework does not require.

Summary of requested amendments:

1. Replace the single 80% threshold with a graduated bonus structure: +2% at 65% local crew, +3% at 75%, +4% at 80%.
2. Tighten the above-the-line bonus to require locally-based key creatives with verifiable prior Hawai'i production credits.
3. Add a GET exemption for qualified production equipment rentals from Hawai'i-incorporated vendors.
4. Replace the DBEDT cap waiver with a separate Major Film Incentive pool for productions over \$120 million.
5. Replace the 2033 hard sunset with a five-year performance reevaluation cycle tied to demonstrated ROI benchmarks.
6. Require resident-versus-nonresident payroll reporting and vendor expenditure certifications as mandatory components of the annual report.

This bill is a foundation worth building on. With these amendments, it becomes a program that actually earns the public investment it asks for. Without them, it is a well-intentioned improvement that will be gamed by the same productions that have always gamed this credit.

Mahalo for your consideration.

HB 1939 — Stackable Uplifts for Local Benefit

Submitted by: Brian Keaulana
Producer / Director / Stunt Coordinator / Ocean Risk Management Specialist
Position: STRONG SUPPORT
Date: March 01, 2026

Chair and members, aloha mai kākou.

My name is Brian Keaulana, Producer / Director / Stunt Coordinator / Ocean Risk Management Specialist. I submit testimony in strong support of HB 1939 because it ties public support to measurable local benefit—exactly how Hawai‘i builds a stable industry.

Competitive incentive context: Hawai‘i competes directly with other jurisdictions that offer aggressive, predictable tax incentives and purpose-built infrastructure. To draw productions here—and keep them here—we need a competitive, stable incentive that reduces friction and rewards in-state hiring, local vendors, and in-state post work.

How this benefits Hawai‘i’s economy: Uplifts that keep more value in-state increase local capture and strengthen year-round economic activity.

How this benefits local people and vendors: Rewarding local hiring, local post, and infrastructure use grows real career ladders and expands vendor participation.

Is this a sustainable business for me: A stable pipeline that rewards local labor supports sustainable Hawai‘i-based services like mine and justifies investment in studios and controlled water facilities.

Design check: Best designed when uplift criteria are clear, auditable, and simple to administer, so productions can plan with certainty.

Mahalo for your consideration.

HB-1939-HD-1

Submitted on: 3/1/2026 7:25:46 AM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Debra Grey	Individual	Support	Written Testimony Only

Comments:

Aloha Chair and Members,

My name is Debra Grey, and I am a member of The fandom of MagnumPI.

I respectfully support HB 1939 because it prioritizes local hire and strengthens economic opportunities for Hawai'i workers.

Encouraging strong local workforce participation helps sustain long-term careers and keeps wages

in our communities.

Mahalo for your consideration.

HB-1939-HD-1

Submitted on: 3/1/2026 7:57:02 AM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Vincent Laurent Loïc LEQUERTIER	Individual	Support	Written Testimony Only

Comments:

Aloha Chair and Members,

My name is Vincent LEQUERTIER and I am a member of The fandom of MagnumPI.

I respectfully support HB 1939 because it prioritizes local hire and strengthens economic opportunities for Hawai'i workers.

Encouraging strong local workforce participation helps sustain long-term careers and keeps wages

in our communities.

Mahalo for your consideration.

Vincent LEQUERTIER

HB-1939-HD-1

Submitted on: 3/1/2026 8:03:06 AM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
fabienne lequertier	Individual	Support	Written Testimony Only

Comments:

Aloha Chair and Members,

My name is Fabienne Lequertier, and I am a member of the *Magnum P.I.* fandom.

I respectfully support HB1939 because it prioritizes local hiring and strengthens economic opportunities for Hawai'i's workers. Encouraging strong participation from the local workforce helps sustain long-term careers and ensures that wages remain within our communities.

By investing in Hawai'i's talent and skills, this measure supports economic stability and reinforces the long-term growth of the state's film industry.

Mahalo for your time and consideration.

Respectfully,
Fabienne Lequertier

HB-1939-HD-1

Submitted on: 3/1/2026 8:33:56 AM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Tara Laulu	Individual	Support	Written Testimony Only

Comments:

Aloha Chairs & Members

My name is Tara F. Laulu & im a member of Fandom of MagnumPI

I respectfully support HB1939 because it prioritizes local Hirees and strengthens economic opportunities for HAWAII workers.

Ecouraging strong local workforce participation helps sustain long-term careers & keep wagers in HAWAII Nei communities.

Mahalo Nui Loa

Tara F. Laulu

Fandoms of MagnumPI.

HB-1939-HD-1

Submitted on: 3/1/2026 9:37:30 AM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
claudia kühn	Individual	Support	Written Testimony Only

Comments:

ich möchte die Bonussteuergutschriften unterstützen für Produktionen unterstützen die starke lokale Mietschwellenwerte erfüllen, belohnt

Produktionen die Hawaii Mitarbeiter einstellen, Mahalo

m f g

claudia kühn

HB-1939-HD-1

Submitted on: 3/1/2026 11:53:43 AM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Kaipu Seales	Individual	Support	Written Testimony Only

Comments:

Aloha Chair and Members,

My name is Kaipu Seales and I am a member of IATSE Local 665.

I respectfully support HB 1939 because it protects local jobs and strengthens wages for Hawai'i workers.

Supporting local labor ensures productions continue hiring Hawai'i crew and investing in our workforce. This is so important for keeping local families in Hawai'i.

Mahalo for your consideration.

Kaipu Seales

HB-1939-HD-1

Submitted on: 3/1/2026 12:38:16 PM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Phyllis Bruce	Individual	Support	Written Testimony Only

Comments:

Aloha! My name is Phyllis Bruce and I am a membr of The Fandom of Magnum PI. I am in support of this bill. Not only will it give jobs to local workers, but may set them up for a long-term career path. This is the right thing to do for your acompany. Anything you can do to support the film industry to continue showing what a beautiful state you live in, but to help suppoort your local economy in so many ways is the right thing to do.

Mahalo!

HB-1939-HD-1

Submitted on: 3/1/2026 6:51:51 PM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Glen Kagamida	Individual	Support	Written Testimony Only

Comments:

STRONG SUPPORT!!!

HELP HIRE LOCALS AND KEEP THE INDUSTRY IN HAWAII.

HB-1939-HD-1

Submitted on: 3/1/2026 7:54:56 PM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Lisa Lee Mitchell	Individual	Support	Written Testimony Only

Comments:

Aloha Chair, Vice Chair and Members of the Committee,

My name is Lisa Lee Mitchell, and I am a member of both IATSE Local 665 and the Hawaii Film Alliance. I am writing to express my support for HB 1939.

This measure is vital because it prioritizes local hiring and strengthens economic opportunities for Hawai'i's workers. Encouraging strong local workforce participation is the most effective way to sustain long term careers and keeping wages in our community ensures that the state's investment in film incentives translates directly into local spending at our grocery stores, restaurants and small businesses.

Strengthening the local workforce ensures that Hawai'i is not just a backdrop for Hollywood, but a thriving hub of homegrown talent and economic activity.

Mahalo for your consideration of this important bill.

Respectfully,

Lisa Lee Mitchell

HB-1939-HD-1

Submitted on: 3/1/2026 9:03:23 PM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Kamuela Chandler	Individual	Support	Written Testimony Only

Comments:

I respectfully submit my testimony in strong support of HB1939, which strengthens Hawai‘i’s Motion Picture, Digital Media, and Film Production Income Tax Credit. By providing additional tax incentives for productions that hire a high percentage of local workers, invest in production infrastructure here, feature indigenous content, and conduct post-production in the State, HB1939 ensures that the economic benefits of this industry are felt by our communities — not exported out of state.

Increasing the required percentage of local hires over time will help build sustainable careers for Hawai‘i residents in both above-the-line and below-the-line roles. It also encourages the growth of infrastructure such as studios, VFX houses, and post-production facilities, which keeps money circulating in our local economy.

HB-1939-HD-1

Submitted on: 3/1/2026 9:34:36 PM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Angela Laprete	Individual	Support	Written Testimony Only

Comments:

I support this bill.

HB-1939-HD-1

Submitted on: 3/1/2026 11:22:07 PM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Julie Scalpone	Individual	Support	Written Testimony Only

Comments:

Aloha. I am writing in support of HB1939. It is so important to ensure we are hiring locally for productions. The islands are abundant with talented crew and creatives. It's imperative that we continue to work to ensure they all have the career opportunities that bringing major productions to the island can provide. Mahalo for your support!

HB-1939-HD-1

Submitted on: 3/2/2026 8:21:32 AM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
HENRY IAN CUSICK	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Ilagan, Vice Chair Hussey, and the Members of the Committee,

Thank you for the opportunity to testify in SUPPORT of HB 1939

I'm the president of SAG-AFTRA Hawai'i local representing over 1400 actors, recording artists, and media professionals in ourstate. We are the professional performers working in front of the camera and behind the microphone.

One way the union advocates for members is by supporting and championing incentives to encourage filming in Hawai'i. Our talented performers want to work here at home. However, if there are no productions, many are forced to seek employment elsewhere. This not only means people leaving Hawai'i and decreased income tax to the state, it also diminishes our creative community.

HB 1939 is an investment that helps keep our best and brightest talents at home, and it is a step to truly diversifying our local economy.

Mahalo

HI Cusick

SAG AFTRA Presedent Hawai'i local

HB-1939-HD-1

Submitted on: 3/2/2026 8:56:16 AM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Tiffany Tavares	Individual	Support	Written Testimony Only

Comments:

loha Chair and Members,

My name is Tiffany Tavares and I am a member of IATSE Local 665.

I respectfully support HB 1939 because it prioritizes local hire and strengthens economic opportunities for Hawai'i workers.

Encouraging strong local workforce participation helps sustain long-term careers and keeps wages in our communities.

Mahalo,

Tiffany T Tavares

HB-1939-HD-1

Submitted on: 3/2/2026 10:14:44 AM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Dean Des Jarlais	Individual	Support	Written Testimony Only

Comments:

I strongly support HB1939 because it would incentivize producers to hire more local crew and talent, making Hawaii more competitive with other countries, states, and locations.

HB-1939-HD-1

Submitted on: 3/2/2026 10:46:18 AM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Thomas h. Penny	Individual	Support	Written Testimony Only

Comments:

Aloha Chair, Vice-Chair and members of this Committee.

My Name is Thomas Penny, and I have worked in the film industry as a member if IATSE Local 665 for 22 years. I am submitting my testimony in support of HB1939. Thank you for your time.

HB-1939-HD-1

Submitted on: 3/2/2026 8:11:04 PM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Kevin Kersting	Individual	Support	Written Testimony Only

Comments:

Aloha Chair, Vice-Chair and members of this Committee.

My Name is Kevin Kersting, and I have worked in the film industry as a member if IATSE Local 665 for 40 years. I am submitting my testimony in support of HB1939.

Mahalo for your time.