



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

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

JAMES KUNANE TOKIOKA
DIRECTOR

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Statement of
GEORJA SKINNER
Administrator, Creative Industries Division
Department of Business, Economic Development, and Tourism
before the
SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM

Tuesday, March 17, 2026
1:00 PM
State Capitol, Conference Room 229

In consideration of
HB2590 HD1
RELATING TO TAXATION

Chair Decoite, Vice Chair Wakai, and members of the Committee. Creative Industries Division (CID), of the Department of Business, Economic Development, and Tourism (DBEDT) supports HB 2590 HD1, which imposes the manufacturing general excise tax rate on motion picture, digital media, and film productions; repeals the provision in the definition of “qualified production costs” that applied the term to costs subject to the highest general excise tax rate; and exempts from the general excise tax amounts received by a motion picture project employer from a client company that are disbursed for employee wages, salaries, payroll taxes, insurance premiums, employment benefits, and payments to loan-out companies.

When the majority of film and television series production left the state in summer 2024, the additional impact from the GET cost on motion picture project employers became a dis-incentive for attracting productions to the state. This included a major feature film pulling up stakes and moving the production elsewhere.

First, this measure seeks to exclude payroll pass-through reimbursements from taxable income, removes structural disadvantages faced by productions operating in Hawai'i and improves the State's competitiveness as a production destination. While this provision was not included in DBEDT's administrations measures, the department supports the clarification.

Aligning Hawai'i's tax treatment with standard industry payroll practices reduces administrative friction, compliance risk, and cost uncertainty for productions. By improving predictability and reducing barriers, HB 2590 HD1 strengthens the overall effectiveness of Hawai'i's film tax credit program and complements DBEDT's broader policy objectives to enhance industry competitiveness, attract sustained production investment, and support a stable local workforce.

Such improvements directly support workforce stability, enhance production planning certainty, and reinforce Hawai'i's position as a viable long-term production location. CID will defer to the Department of Taxation regarding the fiscal impact of the proposed tax changes, revenue implications, and any technical administrative considerations, and respectfully requests the department's consideration to issue a Tax Information Release to clarify implementation of the proposed provisions.

Thank you for the opportunity to testify.

JOSH GREEN M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION

Ka 'Oihana 'Auhau
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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. 2590, H.D.1, Relating to Taxation

BEFORE THE:

Senate Committee on Economic Development and Tourism

DATE: Tuesday, March 17, 2026
TIME: 1:00 p.m.
LOCATION: State Capitol, Room 229

Chair DeCoite, Vice-Chair Wakai, and Members of the Committee:

The Department of Taxation (DOTAX) offers the following comments regarding H.B. 2590, H.D.1, for your consideration.

Section 1 of H.B. 2590, H.D.1, amends section 235-17(o), Hawaii Revised Statutes (HRS), of the motion picture, digital media, and film production income tax credit (the "Film Credit") by redefining "[q]ualified production costs" as costs incurred by a qualified production within the State that are subject to the general excise tax (GET) or income tax. Under current law, qualified production costs must be subject to GET "at the highest rate of tax" or subject to income tax "if the costs are not subject to general excise tax."

Section 2 of the bill amends section 237-13(1)(A), HRS, by imposing the 0.5 percent manufacturing GET rate on a "production as defined in section 235-17."

Section 3 of the bill amends section 237-24.75, HRS, by adding a new GET exemption for amounts received by a motion picture employer from a client company that are equal to amounts paid by the motion picture employer for employee wages, salaries,

payroll taxes, insurance premiums, and benefits including retirement, vacation, sick leave, health benefits, and similar employment benefits for motion picture project workers, and payments made to loan-out companies.

“Motion picture project employer” and “motion picture project worker” are defined as having the same meanings as in section 3512 of the Internal Revenue Code of 1986, as amended.

Section 4 of the bill amends section 237-30.7, HRS, which requires persons making payments to a loan-out company to withhold tax at the highest rate plus any applicable county surcharge, by adding a proviso that the amount withheld “shall exceed the amount actually due.”

The bill has a defective effective date of July 1, 3000, with section 1 applying to taxable years beginning after December 31, 2026, and sections 2, 3, and 4 taking effect on January 1, 2027.

DOTAX recommends that section 4 of the bill be amended to require that the withholding be calculated based on the 0.5 percent manufacturing rate, as provided in section 1 of the bill. Otherwise, the withholding on loan-out companies will exceed the amount actually due, which will result in additional burdens placed on taxpayers and the department to process refund requests. Specifically, DOTAX recommends that subsection (a) be amended to read:

(a) Every person making payment to a loan-out company and claiming a tax credit pursuant to section 235-17 shall deduct and withhold one-half of one per cent for all payments made to the loan-out company for services performed in the State. The amounts withheld shall be remitted pursuant to subsection (b). The amounts withheld under this section shall be deemed to be a general excise tax withholding for the benefit of the loan-out company performing the service.

DOTAX further recommends that the effective date for section 1 of the bill be amended to apply to “costs incurred,” rather than “taxable years beginning,” after December 31, 2026.

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

HB-2590-HD-1

Submitted on: 3/16/2026 4:19:41 PM

Testimony for EDT on 3/17/2026 1:00:00 PM

LATE

Submitted By	Organization	Testifier Position	Testify
Christopher Wiecking	Testifying for IATSE Local 665	Support	In Person

Comments:

Aloha Chair, Vice-Chair and members of the Committee. My name is Christopher Wiecking and I represent IATSE Local 665 Hawaii.

I am submitting my testimony in SUPPORT of HB2590 HD1.

Thank you for your time and support.

Mahalo

TAX FOUNDATION OF HAWAII

735 Bishop Street, Suite 417

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: INCOME, GENERAL EXCISE, Restores Manufacturing Rate for Media Production Companies and Exempts Payroll Reimbursement from MPPSC Entities

BILL NUMBER: HB 2590 HD1

INTRODUCED BY: ECD

LATE

EXECUTIVE SUMMARY: Imposes the manufacturing general excise tax rate on motion picture, digital media, and film productions and repeals the provision in the definition of "qualified production costs" that applied the term to mean costs incurred that are subject to the highest general excise tax rate. Exempts from the general excise tax certain amounts received by a motion picture project employer from a client company equal to amounts that are disbursed by the motion picture project employer for employee wages, salaries, payroll taxes, insurance premiums, and employment benefits and payments to loan-out companies. Requires persons making payment to a loan-out company and claiming the Motion Picture, Digital Media, and Film Production Tax Credit to deduct and withhold an amount exceeding the amount actually due for all payments made to the loan-out company for services performed in the State. Applies to taxable years beginning after 12/31/2026. Effective 7/1/3000. (HD1)

SYNOPSIS: Amends section 235-17, HRS, to delete the requirement that qualified production costs be subject to the highest rate of general excise tax.

Amends section 237-13(1), HRS, to include within the manufacturing rate production as defined in section 235-17.

Amends section 237-24.75, HRS, by adding a new paragraph (4) that exempts amounts received by a motion picture project employer from a client company equal to amounts that are disbursed by the motion picture project employer for employee wages, salaries, payroll taxes, insurance premiums, and benefits, including retirement, vacation, sick leave, health benefits, and similar employment benefits with respect to motion picture project workers at a client company and for payments to loan-out companies; provided that this exemption shall apply only to amounts that are separately stated and documented as reimbursements for actual wages, payroll taxes, insurance premiums, and benefits paid to motion picture project workers or loan-out companies and shall not apply to other amounts, including service fees, administrative fees, or markups. The terms "motion picture project employer", "client", and "motion picture project worker" shall have the same meaning as in section 3512 of the Internal Revenue Code of 1986, as amended.

EFFECTIVE DATE: January 1, 3000; income tax provisions effective for taxable years beginning after December 31, 2026.

STAFF COMMENTS: The proposed amendments restore key elements of the general excise tax treatment of media production as they existed prior to 2021.

Production tax treatment has been the subject of many flip-flops in position:

- 2007-08: Proposed Administrative Rules
 - DOTAX publishes comprehensive proposed Administrative Rules that categorize motion picture production as manufacturing.
- 2019: Flip-Flop #1
 - Upending 10-year reliance on published guidance, DOTAX secretly revokes 2007-08 and other guidance (explained later in 2021) and starts enforcing changed position.
- 2020-21: Flip-Flop #2
 - DOTAX audits EP, one of the motion picture payroll companies. Asserts 9-figure GET deficiency because of payroll issue.
- 2022: Act 217, SLH 2022
 - Tax credit amended to disallow production expenses subject to GET at 0.5%.

With regard to the proposed exemption for motion picture project employers:

The legislature enacted exemptions specific to several discrete industries. Act 175, SLH 1988 (section 237-23.5b), HRS), provides that the GET does not apply to common paymasters reimbursed by related corporations that actually employ the workers paid. Act 351, SLH 1989 (section 237-24.7(1), HRS), provides that the GET does not apply to amounts received for employee wages, salaries, payroll taxes, insurance premiums, and benefits, including retirement, vacation, sick pay, and health benefits, by a hotel operator. Act 252, SLH 1992 (section 237-24.7(4), HRS), provides that the GET does not apply to similar amounts received by an orchard operator. Act 214, SLH 1998 (section 237-24.7(8), HRS), provides that the GET does not apply to similar amounts received by a management company from related entities selling telecommunications services.

In addition, per section 237-24.75(3), HRS, the GET does not apply to similar amounts received by a professional employer organization (PEO) registered with DLIR.

Tax Information Release 2024-04 states that the GET applies to ALL amounts that a production payroll service company receives from a film production company. Here is an example of how that affects productions, taken from a release from one such production service company:

This change means that our clients with Hawaii production activity will see an appreciable increase in XXX's GET charge on Hawaii-related payroll invoices issued on or after the XXXXX, 2024 cutover date. As an example, a Hawaii production's \$1 million total gross payroll invoices with a \$20,000 net payroll handling fee would include a \$45,000 GET charge (4.5% x \$1M gross) after the XXXXXX, 2024 cutover instead of a \$900 GET charge (4.5% x \$20,000 net) under existing practice.

We have previously seen instances of DOTAX flip-flopping on the film industry, as noted in the list above and in the article reprinted below. All taxpayers, not just this industry, should be entitled to reasonable certainty in tax treatment, justifying the changes proposed.

More Taxes for Movies and TV

by [Tom Yamachika](#) | posted in: [Weekly Commentary](#) | March 1, 2021

We have been railing for some weeks now about the goings-on at our Legislature. This week we spotlight the Department of Taxation.

On February 16th, the Department published a [Tax Information Release](#), a public statement of interpretation of the law, relating to the TV and movie production industry. To understand that release, we need to go into a little background first.

When we see Hawaii's General Excise Tax or GET, it is usually on a sales receipt and the tax shown is 4.712% or 4.166%, depending on the island you are on. That rate is driven by what we call the retail tax rate, which is applied to sales from a seller to an end user.

The GET also is applied to intermediate stage products and services, namely those that are sold not to an end user but to a retailer, or someone further up the production chain. For example, consider a farmer selling vegetables to a market, or a fashion designer selling artwork to a manufacturer who will be making aloha shirts with that artwork. There, the GET is imposed at the "wholesale rate" of 0.5% instead.

When movie and TV productions are made, not all of the people participating in the production are on the payroll. A few, such as principal cast, the director, and others in key roles like the director of photography, are independent contractors to the production. Many of them have entities they own, known as "loan-out entities," which then contract out to the production.

What, then, is the GET rate that applies when a loan-out entity is paid by the production company?

In 2008, the Department of Taxation published proposed rules containing several key GET interpretations. In Proposed Admin. Rule sections 18-237-13-01.01(b) and 18-237-13(6)-10(b), which appeared in [Tax Information Release 2008-02](#), the Department said that a production company is in the business of manufacturing, and a loan-out entity providing services to the production company qualified for the 0.5% wholesale rate. The proposed rules were repropoed in modified form in [Tax Information Release 2009-05](#), but in the same proposed rule sections the Department reaffirmed that the GET interpretations above were still good and could be relied upon by taxpayers.

During the next ten years, the Department decided not to finalize these proposed rules, instead publishing revised temporary rules that only addressed the income tax credit for productions and did not include any GET rules. After finalizing the rules, the Department published an [Announcement](#) in November 2019 ostensibly to summarize the rules that were adopted, but it

added a note, seemingly out of right field, saying that a “production company is not considered to be in the business of ‘manufacturing’ [for GET purposes].”

[Tax Information Release 2021-01](#), the interpretation published on February 16, explains that “the Department reviewed its position on deeming a motion picture or television film production company to be engaged in the business of manufacturing. Through this review, the Department determined that this prior position was inappropriate.” In other words, the Department changed its mind, and loan-out entities are now taxable at the full retail GET rate. Neither the Release nor the prior announcement showed any reasoning from the applicable law (which did not change in the meantime) even attempting to justify the Department’s about-face.

“I am altering the deal,” the Department is effectively saying. “Pray I don’t alter it any further.”

Folks, this is Hawaii, not “The Empire Strikes Back.” The Department is given authority to make published pronouncements and adopt rules so people know and can plan business activities that follow the law. If the law changes because of legislative action or a court decision, that’s one thing. Or if the Department made a mistake in coming to its earlier ruling and can explain what the mistake was and why it was wrong, maybe that is okay as well. But changing the rules in midstream just because someone feels like it sends the message that the Department can act arbitrarily. We need our government to keep its word, give adequate notice of any material changes, and rein in any Vaderesque action.

Digested: 2/28/2026



MOTION PICTURE ASSOCIATION

House Bill 2590 – MEMO IN SUPPORT

Senate Committee on Economic Development & Tourism

March 16, 2026

The Motion Picture Association (MPA) and its members are pleased to support House Bill 2590 (“HB 2590” or “the Bill”). The Bill will make Hawai’i’s Motion Picture, Digital Media, and Film Production Tax Credit program more effective in attracting motion picture, television and streaming production projects to the state and the good middle class jobs created by these productions. MPA is a not-for-profit trade association founded in 1922 to address issues of concern to the motion picture industry. Since that time, MPA has advanced the business and art of storytelling, protected the creative and artistic freedoms of storytellers and brought entertainment and inspiration to audiences worldwide. The MPA’s members are: Amazon Studios, LLC, Netflix Studios, LLC, Paramount Pictures Corporation, Sony Pictures Entertainment Inc., Universal City Studios LLC, Walt Disney Studios Motion Pictures, and Warner Bros. Entertainment Inc.

HB 2590 addresses three issues. **First**, the Bill ensures that payroll service companies will be assessed General Excise Tax (GET) on only that portion of their receipts that is attributed to the service fee paid by their customers, film and television production companies, and not on the amounts that are paid out to production workers, as well as the applicable taxes and other fringe benefit payments¹. In addressing this first issue, the bill restores the GET treatment of payroll service companies from 2006 to approximately 2021, on which the film industry has relied for production and budgeting purposes.

Second, HB 2590 restores the classification of motion picture and television production as “manufacturing.” From the inception of the production tax credit program in 2006 until 2019, film production was treated as manufacturing by DoTAX. The Department’s published guidance, including Tax Information Release 2009-05,² stated that a motion

¹ The bill provides that whether the payments are made directly to a film worker or the film worker’s ‘loan-out’ company which is the professional service company that many creative personnel are hired through, the tax relief is consistently applied.

² DoTAX removed TIR 2009-05 from its website and instructed the Hawaii Film Office to do the same, in approximately April 2019.

picture or television production company was considered to be in the business of manufacturing³, so long as the company was selling, leasing or otherwise exploiting the film product for profit.

That 2009 guidance was then and continues today to be an accurate assessment of motion picture and television production. The physical production of a movie or TV series encompasses many processes. Some examples include building sets, using raw materials that include lumber and paint, among other materials; creating costumes, using fabric, thread and other materials; utilizing practical locations for filming which will include the use of trucks and vehicles to transport cast, crew and equipment to the location; payment of wages to cast and crew through specialized payroll service companies. Only when all these components are undertaken successfully does the production process come to fruition and become a motion picture, or television or streaming program that can be sold or licensed or otherwise used commercially.

Furthermore, all motion picture and television productions are copyrighted. The Copyright Act, 17 U.S.C. § 102(a), states that copyright protection subsists in original authorship *fixed in any tangible medium of expression*. Thus, there must be some tangible medium of expression in which a production must be fixed, and the products, services, and effort that went into making it can be considered inputs to manufacture that tangible object.

The longstanding classification of production as manufacturing changed in 2019, upending more than a decade of settled expectations. See Tax Information Release [2021-01](#). The practical effect was the GET rate increased, from the lowest rate (.5%) to the highest rate (4%) for many elements of production, driving up the cost of production and making Hawai'i a less competitive motion picture production destination. By restoring the treatment of production as manufacturing, the GET rate can be reduced for the transactions associated with motion picture and television production, which will reduce the cost of production in Hawai'i and better position the state to compete for film and television production jobs.

And the **third** issue HB 2590 addresses is a repeal of a provision enacted in 2022, that changed the definition of “qualified production costs.” That change provided that only those productions transactions which were assessed GET at the highest rate would be eligible for the production tax credit. The repeal of this provision will ensure that costs of production can be assessed the lower GET rate and retain their status as qualified

³ Manufacturing in Hawaii under the Gross Excise Tax includes activities broadly stated to include, ‘*canning, preserving, packing, printing, publishing, milling, **processing**, refining or preparing for sale, profit, or commercial use, any article, substance or commodity.*’

expenditures on the tax credit program. This will make Hawai'i's production tax credit program more effective and attractive for film and television producers committed to filmmaking in Hawai'i.

MPA requests that the effective date of this legislation be changed to apply to all productions beginning on or after January 1, 2026.

HB 2590 makes important modifications to the taxation of the film industry in Hawai'i and reverses legislative and administrative changes over recent years that eroded the state's competitive position and hindered efforts to attract and sustain film, television, and streaming production in an increasingly competitive global marketplace. For these reasons, MPA supports HB 2590 and urges the Committee's support for the Bill.

State of Hawai'i
The Thirty-Third Legislature
Ka 'Aha Kenekoa
Committee on Economic Development and Tourism (EDT)

Tuesday, March 17, 2026
1:00 PM – Room 229, HI State Capitol

TESTIMONY IN STRONG SUPPORT OF HB 2590 HD 1
RELATING TO TAXATION

Aloha Chair DeCoite, Vice Chair Wakai, 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 2590 HD 1** and respectfully thanks the Committee for advancing the measure with the clarifying amendments contained in the current draft.

HFA is a member-based organization comprised of Hawai'i film and television professionals, entertainment union members, creative workers, production companies, small businesses, and allied industry partners who live and work in the State of Hawai'i. Our members span the full spectrum of the production ecosystem that enable films to operate locally.

One of the most significant cost concerns facing productions in Hawai'i is the current application and interpretation of the General Excise Tax (GET) to payroll services, loan-out companies, and other qualified production expenditures. Under current practice, when productions remit payroll funds to payroll companies, loan-out companies or similar financial intermediaries, those gross payroll funds may be treated as taxable income to the intermediary rather than pass-through wages. This results in GET being applied to the full amount of wages before those wages are distributed to workers, even though those funds are not revenue to the intermediary. The same wages are then subject to employee income tax withholding, creating tax pyramiding that increases production costs without increasing worker pay. As a result, productions often reduce shooting days, scale down crew size or choose other jurisdictions with clearer and more equitable tax treatment.

HB 2590 HD 1 makes important progress by clarifying the tax treatment of these transactions and recognizing the intermediary role of payroll service providers, loan-out companies and similar entities. The amendments adopted since the prior committee hearing help ensure these intermediaries are not taxed on funds they merely transmit on behalf of productions. This clarification restores predictability and aligns Hawai'i's treatment more closely with standard



industry practice in other major production states, helping ensure production dollars flow more directly into wages for Hawai'i residents and into local small businesses.

This measure also moves Hawai'i closer to the treatment that existed prior to the 2021 administrative interpretation that expanded GET liability on payroll intermediaries and loan-out structures. Restoring that clarity is critical to maintaining Hawai'i's competitiveness as other states continue to modernize their tax frameworks to attract film and television production.

HFA respectfully suggests that the Legislature consider further amendments to explicitly codify that payroll service providers, loan-out companies, production accountants, and similar intermediaries are subject to GET only on their service fees or commissions and not on the gross payroll or production funds they hold or transmit on behalf of clients. This will ensure long-term certainty, prevent inconsistent interpretation, and reflect the longstanding policy intent that GET apply to business income rather than pass-through wage funds.

HB 2590 HD 1 helps bring production investment to Hawai'i and ensures those funds flow directly into our local workforce and economy. This bill is not about reducing taxes for large studios; it is about preventing the unintended over-taxation of local workers' wages and restoring fairness and clarity to the tax system. Stable, predictable tax treatment allows long-running television series and major productions to look at Hawai'i as a film-friendly locale, providing sustained employment for hundreds of Hawai'i film workers and business employees who wish to stay in Hawai'i.

Alongside other measures to strengthen the creative economy, this bill provides a **predictable and fair business environment** for films and television shows which **helps local workers remain here at home**.

Mahalo for the opportunity to provide testimony. **HFA respectfully requests that the Committee pass HB 2590 HD 1.**

March 17, 2026

Senate Committee on Economic Development and Tourism
Senator Lynn DeCoite, Chair
Senator Glenn Wakai, Vice Chair

Tuesday, March 17, 2026, 1:00 p.m.
Conference Room #229 and via video conference



RE: HB 2590 HD1 Relating to Taxation



Dear Chair DeCoite, Vice Chair Wakai and members of the Committee,

My name is Kiran Polk, and I am the Executive Director & CEO of the Kapolei Chamber of Commerce. The Kapolei Chamber of Commerce is an advocate for businesses in the Kapolei region including Waipahu, Kapolei, 'Ewa Beach, Nānakūli, Wai'anae, and Mākaha. We work on behalf of our members and the broader business community to improve the regional and State economic climate and to help West O'ahu businesses thrive.

The Kapolei Chamber of Commerce is in **strong support of HB 2590 HD1**, which imposes the manufacturing general excise tax rate on motion picture, digital media, and film productions and repeals the provision in the definition of "qualified production costs" that applied the term to mean costs incurred that are subject to the highest general excise tax rate. The measure also exempts from the general excise tax amounts received by a motion picture project employer from a client company that are disbursed for employee wages, salaries, payroll taxes, insurance premiums, employment benefits, and payments to loan-out companies.

HB 2590 provides critical clarity and consistency in the tax treatment of film and television productions and more accurately reflects how these project-based productions operate in practice. By distinguishing production revenues from pass-through workforce and payroll costs, the bill promotes transparency and fair tax treatment while avoiding unintended burdens on employment.

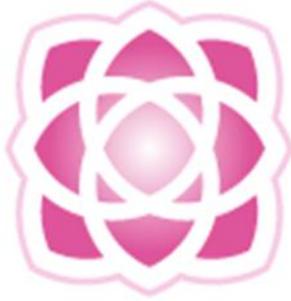
For West O'ahu, where film and television activity has supported small businesses and local jobs, clear and predictable tax policy is an important component of maintaining a competitive production environment.

The Kapolei Chamber of Commerce appreciates the thoughtful approach reflected in HB 2590 HD1 and respectfully urges your support of this measure.

Thank you for this opportunity to provide testimony.

Respectfully,

Kiran Polk
Executive Director & CEO



MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

**HEARING BEFORE THE SENATE COMMITTEE ON
ECONOMIC DEVELOPMENT & TOURISM
HAWAII STATE CAPITOL, SENATE CONFERENCE ROOM 229
TUESDAY, MARCH 17, 2026 AT 1:00 P.M.**

To The Honorable Senator Lynn DeCoite, Chair
The Honorable Senator Glenn Wakai, Vice Chair
Members of the Committee on Economic Development & Tourism

SUPPORT HB2590 HD1 RELATING TO TAXATION

The Maui Chamber of Commerce recognizes the importance of policies that strengthen local industries, create jobs, and foster long-term resilience. We have long been supporters of the film industry and attracting more projects to Hawai'i. HB2590 HD1 is a key tool for building on Hawai'i's film industry, by providing the manufacturing GET rate to motion picture, digital media, and film productions.

The bill lowers the tax burden on film, digital media, and related productions, potentially making Hawai'i more competitive as a production location. This may attract more productions, increasing local spending, job creation, and economic activity.

We appreciate the Legislature's attention to economic diversification and respectfully urge continued support for measures that foster sustainable, broad-based growth.

Mahalo for the opportunity to share our support of this measure and ask that you move it forward.

Sincerely,

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.



March 17, 2026

Committee on Economic Development and Tourism
Chair DeCoite
Vice Chair Waikai

The Senate
The Thirty-Third Legislature
Regular Session of 2026

[RE: HB 2590 HD1 RELATING TO TAXATION.](#)

DATE: Tuesday, March 17, 2026

TIME: 1:00 pm

PLACE: Conference Room 229

State Capitol 415 South Beretania Street, Honolulu HI

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

Thank you for the opportunity to testify in **SUPPORT** of [RE: HB 2590 HD1 RELATING TO TAXATION.](#)

SAG-AFTRA represents over 160,000 actors, recording artists, and media professionals nationwide and over 1400 in Hawai'i. 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.

As the latest DBEDT figures indicate, in 2025 our film and television industry generated \$79,839,500 in sales or economic activity, \$4,984,200 in estimated tax revenues, and \$18,460,000 in Hawaii household income generated because of the qualified productions.¹ Compare this with 2024 numbers, 2024 our film and television industry generated \$324,150,100 in sales or economic activity, \$20,235,960 in estimated tax revenues, and \$74,948,000 in Hawaii household income generated because of the qualified productions.²

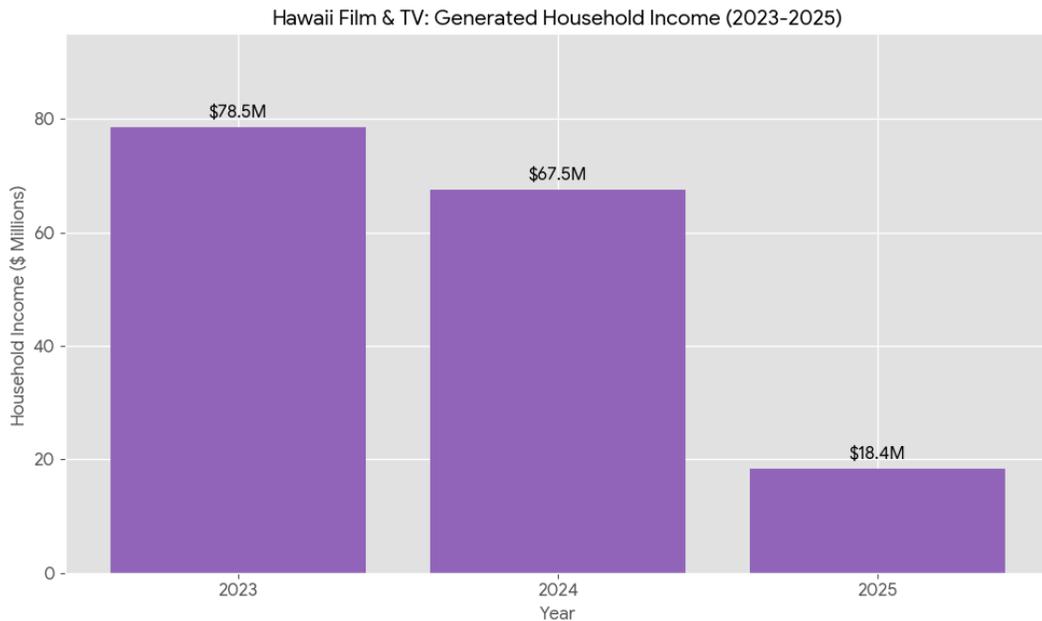
¹<https://files.hawaii.gov/dbedt/annuals/2025/2025-cid-act217.pdf>

² <https://files.hawaii.gov/dbedt/annuals/2024/2024-cid-act217.pdf>

Mericia Palma Elmore, JD/MLSc
Executive Director
SAG-AFTRA Hawai'i Local
mericia.palmaelmore@sagaftra.org
201 Merchant St. Suite 2301
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SCREEN ACTORS GUILD - AMERICAN FEDERATION OF
TELEVISION AND RADIO ARTISTS
SAGAFTRA.org
Associated Actors & Artistes of America / AFL-CIO

Last year we experienced a very real slowdown in production, and our members, local people with families, our friends and neighbors - your constituents, felt it acutely.



3

HB 2590 HD 1 will **protect local jobs**. Film and TV production provides high-quality jobs, healthcare, and pension benefits. This bill makes it more affordable for productions to stay in Hawaii and hire local talent.

This measure is a **direct investment in Hawaii's creative workforce**. It provides the stability needed to keep our local actors and crew members working right here at home.

Respectfully,

Mericia Palma Elmore

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

³ Reports found here: <https://dbedt.hawaii.gov/overview/annual-reports-reports-to-the-legislature/>

In support bill HB2590

I am writing to express my support for Bill HB2590. My name is Bryan Spicer, and I have had the privilege of serving as a producer and director on iconic shows such as *Hawaii Five-0* and *Magnum PI* for the past decade. Over the course of producing more than 250 episodes, I have witnessed firsthand the evolution of the film industry in Hawaii, including both its remarkable successes and the challenges it currently faces.

Hawaii has always been a unique and vibrant backdrop for storytelling, attracting filmmakers and audiences alike. However, in recent years, we have seen a decline in production activity, which has not only impacted our local economy but also the creative community that thrives here. Bill HB2590 represents a crucial step towards revitalizing our film industry by addressing the rising costs of production.

This bill is vital for several reasons:

- GET rate for filming - returns the GET tax status back to the original Manufacturing rate
- Economic Growth: By reducing production costs, we can encourage more filmmakers to choose Hawaii as their destination for filming. This will lead to job creation and increased revenue for local businesses, from hotels to restaurants.
- Cultural Representation: Supporting local productions ensures that the stories and culture of Hawaii are authentically represented in the media. This is essential not only for the local community but also for audiences around the world.
- Sustainability of the Industry: Establishing a supportive environment for filmmakers will help stabilize the film industry here, allowing it to flourish and adapt to changing market conditions.

In conclusion, I wholeheartedly support Bill HB2590 and urge you to consider its potential impact on the future of our film industry. Together, we can work towards a brighter and more sustainable future for Hawaii's creative community.

Thank you for your consideration.

Sincerely,
Bryan Spicer
DGA Director

HB-2590-HD-1

Submitted on: 3/16/2026 6:18:22 PM

Testimony for EDT on 3/17/2026 1:00:00 PM

LATE

Submitted By	Organization	Testifier Position	Testify
Sally "Kalei" Davis	Individual	Support	Written Testimony Only

Comments:

Aloha,

I am Sally "Kalei" Davis.

i have been in the Hawai'i film business since the 1990s. This past year was the worst ever. Producers chase tax incentives. We must up our cap and incentives to compete with other states and countries.

Mahalo,

Kalei

LATE

HB-2590-HD-1

Submitted on: 3/17/2026 9:26:56 AM

Testimony for EDT on 3/17/2026 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Richard Spelman	Individual	Support	Written Testimony Only

Comments:

Please support this bill! The film and television industry desperately needs this and other bills in order to survive.
Mahalo!

HB-2590-HD-1

Submitted on: 3/17/2026 10:37:37 AM

Testimony for EDT on 3/17/2026 1:00:00 PM

LATE

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 2590 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.

Mahalo for your consideration.

HB-2590-HD-1

Submitted on: 3/17/2026 11:02:40 AM

Testimony for EDT on 3/17/2026 1:00:00 PM

LATE

Submitted By	Organization	Testifier Position	Testify
Edward C Lou-Goode	Individual	Support	Written Testimony Only

Comments:

More tv/movie work = more money for the state and it's people!

HB-2590-HD-1

Submitted on: 3/17/2026 11:40:38 AM

Testimony for EDT on 3/17/2026 1:00:00 PM



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

Comments:

Aloha,

I STRONGLY SUPPORT HB2590, Reducing the General Excise Tax Burden on the film industry.

This will help protect local jobs (like mine - acting!) by making hiring locally a more financially viable choice for productions. I understand that, currently, production pays taxes on me twice. That's just not fair.

Mahalo,

Jean Simon

LATE

HB-2590-HD-1

Submitted on: 3/17/2026 12:00:42 PM

Testimony for EDT on 3/17/2026 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Melinda Santhany	Individual	Support	Written Testimony Only

Comments:

Aloha, I am in support of this Bill.

LATE

HB-2590-HD-1

Submitted on: 3/17/2026 12:11:58 PM
Testimony for EDT on 3/17/2026 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Amy Adams	Individual	Support	Written Testimony Only

Comments:

Please do all that you can to support a strong and thriving film community. I am personally supported by my professional involvement in film and have worked on most of the big projects that come through in one aspect of another. and the industry supports many o other industries in the meantime. Please support film and make it easy for filmmakers to say yes to Hawaii.

LATE

HB-2590-HD-1

Submitted on: 3/17/2026 12:12:07 PM

Testimony for EDT on 3/17/2026 1:00:00 PM

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

Comments:

I strongly support this bill because it clasifies film production as manufacturing for GET purposes.

LATE

HB-2590-HD-1

Submitted on: 3/17/2026 12:12:13 PM

Testimony for EDT on 3/17/2026 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Dennis Garber	Individual	Support	Written Testimony Only

Comments:

Filming in Hawaii helps the entire community. Hotels, restaurants, taxi drivers, waiters, cleaners. Not to mention those in the film industry. Everyone pays taxes. The tax breaks are all made up in other industries. Filming is important to Hawaii also as vacation advertisements to the world. Please open your minds and your hearts to us Hawaiians.

Mahalo