



**MOTION PICTURE ASSOCIATION
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TO: The Honorable Eileen M. Daily, Senate Chair; The Honorable Cameron C. Staples, House Chair; and the Members of the Finance Revenue and Bonding Committee

RE: Raised SB Bill 933 – An Act Concerning the Governor’s Recommendations On Revenue

The Motion Picture Association of America, (MPAA) has concerns with a restrictive annual cap on the film production incentive program as proposed in Section 7 of Raised SB Bill 933. The MPAA is the trade association representing the nation’s leading producers and distributors of motion pictures and TV programs.* There has been a dramatic surge in recent years of states adding film and television production incentives to attract this very clean economically stimulating industry. Given the positive economic impact of film production on the state’s economy it is important to maintain the stimulus for this industry to have a chance to further flourish. Even with a \$42 billion deficit, the state of California has just enacted a film production tax credit.

The state’s impetus for enacting this measure was to provide an opportunity to expand local employment/ encourage permanent infrastructure and attract capital investment, and that is working.

Additionally, more states this year are advancing film and television tax credit programs to compete for this industry’s business, in fact thirty-seven states have film production incentives. Connecticut’s incentive is meaningful, competitive and easy to access with few limitations, which make the incentive so attractive. A film production tax credit with caps only serves to place undue restrictions on the program, which will remove the certainty of available tax credits. This will cause production companies not to factor Connecticut into their calculations and decision making when choosing film locations.

Studies have shown there is a positive return on investment on credits provided to this industry, which can’t be said for many other economic development programs. The economic activity generated by these credits is significant. This program has just gotten off the ground and should remain intact to allow the film and television industry to continue to serve as an important catalyst for economic growth well into Connecticut’s future.

* Paramount Pictures Corporation, Sony Pictures Entertainment Inc., Twentieth Century Fox Film Corporation, Universal City Studios LLLP, Walt Disney Studios Motion Pictures, Warner Bros. Entertainment Inc., and CBS Corporation as an affiliate member.