Written Testimony Submitted to the Program, Review & Investigations Committee
NBC Universal
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HB 5347 AN ACT CONCERNING THE FILM TAX CREDIT

NBC Universal ("NBC") offers the following concerns regarding HB 5347.

The current 30% Film & Digital Media Tax Credit makes Connecticut competitive with regional and national production locations. Proximity to New York, in and of itself was not enough to attract productions to Connecticut. With the enactment of the 2006 production credit, however, there has been a steady progression of production activity beginning with feature films, which in turn sparked demand for production infrastructure, followed by long form television and digital media projects that have materialized into steady and recurring jobs and spending in Connecticut.

NBC more than doubled its permanent footprint in Connecticut by establishing the first production studio NBC owns outside of California and New York -- The Stamford Media & Production Center which opened in August 2009 and resulted in locating 3 52-week long form television shows to Connecticut. Without the 30% production credit in its current form, Connecticut would not have been a location consideration. Because of the credits, in their current form, NBC has a permanent address in Stamford and employs in excess of 175 full-time and 30 part-time individuals.

The Film & Digital Media Tax Credit has undergone substantial revisions since its implementation. NBC and the entertainment industry worked with Connecticut to tighten the production tax credit while at the same time partnering with the State to ensure the credit makes Connecticut competitive and attractive. The benefit to the State of the production tax credit needs time to materialize fully and constant change removes predictability and certainty in the eyes of those Executives making long term location decisions. Budgeting decisions on location may occur a year prior to a move and if Executives fear a program may change or be cut mid stream, Connecticut is no longer competitive with its industry rich neighbors. Last year's tightening of "qualified expenses" to incent only local spend was supported by NBC and by the industry, but a change that results in a 10% cut to the program

removes both certainty and predictability – both instrumental when making budgeting decisions.

Admittedly, Connecticut is still overcoming infrastructure challenges. In January, NBC passed on locating a television pilot in Connecticut because there was no available infrastructure that fit the needs of the show. Thus, while NBC supports the additional 10% proposed by HB 5347 to enhance the Infrastructure Tax Credit, NBC feels that a reduction to the production incentive will halt growth in production activity in Connecticut, negating the need for infrastructure. Increased production activity in and of itself will result in infrastructure growth as some of the current infrastructure projects exemplify.

NBC budgets ~ $2 billion annually on funds for television production. Keeping the 30% Film & Digital Media Tax Credit in its current form keeps Connecticut at the top of the discussions when NBC is making television production location decisions.

Tracie Wilson, Vice President with NBC Television's Programming & Development and directly in charge of NBC's Stamford Media & Production Center testified to the following results from locating the NBC studio and the 3 television shows to Stamford:

- NBC invested $3.5 million to convert the Rich Forum Theater into a Media & Production Studio.
- In effect, NBC saved the theater from bankruptcy and preserved both a ballet school and the performing arts in downtown Stamford.
- At the Stamford NBC production studio, 3 52-week television programs are produced which command 175 permanent, full time jobs and 30 part-time jobs. In addition, on each of 180 live production days each show attracts an audience 190 persons strong to downtown Stamford.
- Each show commands an audience of 190 persons, on each of 70 production days:
  3 shows x 190 guests x 70 production days = Increased foot traffic: 39,900 strong.
- Combined all three shows travel approximately 146 guests per production week. The Stamford Media Center's talk shows, during a typical production year, travel approximately 4,672 guests to the greater Stamford area from August to May.
- Taken together, the shows will secure ~ 4,500 hotel rooms during a season.

- A very happy pizzeria (Atlantic and Remo's Pizza)! 190 guests x 1.5 pizza slices x 70 production days = 19,950 slices. Moreover, local businesses such as Rack n' Roll Café, Wolfe's Cleaners, Katie's Gourmet, Simply Signs, Building One Cleaning, Fairfield County Vending, Encon Heating/Air, USA Taxi, Affordable Bus Charters and City Carting have all benefited from NBC Universal's new Stamford location.

- Thousands of car service/transportation requests for guests and others coming to the shows, all hired locally.

- Maury Povich is currently involved in Public Service Announcements promoting Hartford Public Schools and has worked for years with his wife Connie Chung to promote adoption nationally.

- Jerry Springer just completed two seasons as the host of NBC's primetime hit series "America's Got Talent," four weeks of which were produced live at Foxwoods. In addition, he is a political activist, public speaker and the former Mayor of Cincinnati, Ohio.

- Steve Wilkos, who is currently in his second season as the host of "The Steve Wilkos Show, is a former Marine and 12-year veteran of the Chicago police force. Steve is now a national spokesman for USA Cares, a non-profit organization that helps wounded veterans and their families (www.usacares.org). Steve relocated his family and they are now full time Connecticut residents.

- As promised last year, a permanent NBCU television production footprint in Connecticut will naturally attract additional productions – which it did. The syndicated version of Deal or No Deal shot at Sonalyst over the course of 6 months and attracted in excess of 100 jobs.

Without the 30% production tax credit, in its current form, such a growth in both infrastructure and jobs would not have been a possibility.

This written testimony is submitted by Dawn Mayhew, VP & State Tax Counsel for NBC.