



MOTION PICTURE ASSOCIATION OF AMERICA, INC.
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TESTIMONY OF
ANGELA MIELE
VICE PRESIDENT, STATE TAX POLICY

BEFORE THE
CONNECTICUT JOINT FINANCE REVENUE AND BONDING COMMITTEE
AN ACT CONCERNING THE GOVERNOR'S RECOMMENDATION ON REVENUE
MARCH 7, 2011

CHAIRWOMEN DAILY AND WIDLITZ AND MEMBERS OF THE COMMITTEE, THANK YOU FOR THE OPPORTUNITY TO APPEAR BEFORE YOU TODAY TO SPEAK ABOUT GOVERNOR MALLOY'S BILL 1007 "AN ACT CONCERNING THE GOVERNOR'S RECOMMENDATION ON REVENUE." MY NAME IS ANGELA MIELE, AND I AM THE VICE PRESIDENT FOR STATE TAX POLICY AT THE MOTION PICTURE ASSOCIATION OF AMERICA (MPAA). AS YOU MAY KNOW, THE MPAA MEMBER COMPANIES ARE THE NATION'S LEADING PRODUCERS AND DISTRIBUTORS OF MOTION PICTURES AND TV PROGRAMS, INCLUDING CBS (AFFILIATE MEMBER), DISNEY, FOX, SONY, PARAMOUNT, NBC UNIVERSAL AND WARNER BROS.

FIRST, WE ARE THANKFUL FOR THE STATE'S SUCCESSFUL FILM AND TELEVISION PRODUCTION TAX CREDIT PROGRAM AND WE LOOK FORWARD TO WORKING WITH YOU AND THE ADMINISTRATION TO ADDRESS ANY CONCERNS AND PROPOSED CHANGES WHILE MAINTAINING THE PROGRAM'S COMPETITIVENESS. THE PRODUCTION TAX CREDIT PROGRAM HAS ATTRACTED A SIGNIFICANT NUMBER OF MAJOR MOTION PICTURE AND TELEVISION PROJECTS SINCE ITS INCEPTION LIKE THE FILMS RISING STAR, HALLOWEEN II, WE THE PEEPLES AND THE CURRENT SHOWTIME SERIES "THE BIG C," TBS'S SHOW "ARE WE THERE YET" AS WELL AS THE NBCUNIVERSAL TALK SHOWS.

THE STATE SHOULD CELEBRATE AS THIS PROGRAM FUELED AN INCREDIBLE \$600 MILLION SPENT ON CAPITAL AND PRODUCTION EXPENDITURES SINCE THE PROGRAM'S INCEPTION IN 2006. THE STATE CREATED MORE THAN 15,000 DIRECT AND INDIRECT JOBS IN 2009 ...A STARTLING STATISTIC THAT CONNECTICUT'S FILM AND TELEVISION INDUSTRY EMPLOYMENT INCREASED 17% BUCKING A NATIONAL TREND OF EMPLOYMENT DOWNTURN. THE JOBS, NOT ONLY IN THE ENTERTAINMENT INDUSTRY DIRECTLY, BUT ALSO NON-PRODUCTION RELATED BUSINESSES...REAL ESTATE,

HOTELS/RENTAL CAR AGENCIES, RESTAURANTS AND OTHER BUSINESSES, SOME OF WHOM YOU WILL HEAR FROM TODAY. MPAA MEMBERS ALONE PAID MORE THAN \$65 MILLION TO CONNECTICUT VENDORS ACROSS THE STATE IN 2009, INCLUDING MARKETING, INSURANCE, CONSTRUCTION, TRANSPORTATION COMPANIES, AND MORE.

I WANT TO PROVIDE A BRIEF VIEW OF WHAT'S GOING ON AROUND THE COUNTRY. IN PARTICULAR, I WANT TO EXPLAIN WHY MANY STATES CONTINUE TO SUPPORT AND IN MANY CASES HAVE ENHANCED FILM INCENTIVE PROGRAMS. STATES HAVE RECOGNIZED THESE CREDIT PROGRAMS AS AN IMPORTANT ECONOMIC DEVELOPMENT TOOL THAT CREATES THOUSANDS OF JOBS AND SUBSTANTIAL SALES AND PROFITS FOR SCORES OF SMALL BUSINESSES.

YOU MAY HAVE HEARD ABOUT STATE FILM INCENTIVE PROGRAMS COMING UNDER SCRUTINY. WE SUPPORT THIS PRUDENT EXERCISE FOR ELECTED OFFICIALS. HOWEVER, IT IS IMPORTANT TO NOTE WE SEE NO GROWING TREND TO ELIMINATE INCENTIVE PROGRAMS IN OTHER STATES. IN FACT, THERE HAVE BEEN SEVERAL STATES, WHICH INTRODUCED NEW FILM INCENTIVE PROGRAMS AND OTHER STATES PROPOSING ENHANCEMENTS OF THE EXISTING PROGRAMS INCLUDING ...ALASKA, HAWAII, NEVADA, NEW YORK, OKLAHOMA AND OREGON.

THE GREATEST FEATURE OF THE TAX CREDIT PROGRAM ALLOWS THE STATE AN IMMEDIATE OPPORTUNITY TO EXPAND LOCAL EMPLOYMENT DURING A DIFFICULT ECONOMY AND THE STATE HAS THE BENEFIT OF CURRENT TIME VALUE OF MONEY... EMPLOY NOW- PAY LATER. BASICALLY, THE STATE ISSUES THE TAX CREDITS FOR THIS PROGRAM WELL INTO THE FUTURE FOR A WEALTH OF INVESTMENT MADE TODAY.

IN THESE CHALLENGING ECONOMIC TIMES...3 STATES INCREASED FILM INCENTIVES IN 2010. (FL, NY AND NC). WHY? WE BELIEVE THOSE GOVERNORS AND LEGISLATURES RECOGNIZE THE

ECONOMIC DEVELOPMENT STIMULUS OF PROGRAMS THAT PRODUCE REVENUE FOR THE STATE THAT ULTIMATELY BENEFIT TAXPAYERS.

CONNECTICUT'S FILM TAX CREDIT PROGRAM COUPLED WITH THE STATE'S VIBRANT HUMAN AND GEOGRAPHIC RESOURCES WILL CONTINUE TO BE AN IMPORTANT CATALYST FOR ECONOMIC GROWTH WELL INTO CONNECTICUT'S FUTURE.

IT IS IMPORTANT TO NOTE THE RECENT STATE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT AND OTHER ECONOMIC EVALUATIONS OF PRODUCTION TAX CREDIT PROGRAMS HAVE CONCLUDED A POSITIVE RETURN ON INVESTMENT – RESULTS UNMATCHED BY MANY OTHER ECONOMIC DEVELOPMENT PROGRAMS.

THE MPAA MEMBERS LOOK FORWARD TO THE CONTINUATION OF THE FILM TAX CREDIT PROGRAM IN CONNECTICUT AND WORK WITH YOU TO EXPAND THIS GREAT PARTNERSHIP.

THANK YOU AGAIN FOR THIS OPPORTUNITY, I WOULD BE HAPPY TO ANSWER ANY QUESTIONS.