



Testimony in Opposition of HB 6929 Submitted by Bryce Chinault, Director of External Affairs

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Thank you for the opportunity to submit testimony to the Finance, Revenue and Bonding Committee regarding [HB 6929: An Act Concerning the Film and Digital Media Production Tax Credits](#). My name is Bryce Chinault and I am the Director of External Affairs at Yankee Institute, a non-profit public policy organization in Hartford dedicated to empowering people to forge a better future for themselves and their families.

In testimony before a joint committee hearing last year, Department of Economic and Community Development (DECD) Commissioner David Lehman highlighted the state's film and movie tax [credits](#) as an area ripe for reduction or outright repeal.¹ This recommendation was informed by DECD's annual report which found that the Film & Digital Media Tax Credit led to an annual decrease in state [revenue](#) of over \$58 million and a cumulative loss of over half a billion dollars since its inception in 2006.²

What do taxpayers get in return for this investment? According to [study](#), after [study](#), after [study](#), after [study](#): not much.^{3,4,5,6} One of the studies by Michael Thom at USC Sol Price School of Public Policy [found](#) that "On average, the only benefits were short-term wage gains, mostly

¹ Appropriations, Commerce, and Finance Committees Joint Public Hearing on the DECD 2021 Annual Report (June 9, 2022) *CT-N*: <https://ct-n.com/ctnplayer.asp?odID=19800>

² Department of Economic and Community Development 2019 Annual Report: <https://portal.ct.gov/-/media/DECD/Research-Publications/Annual-Report/Annual-Report-2019.pdf>

³ Do State Corporate Tax Incentives Create Jobs? Quasi-experimental Evidence from the Entertainment Industry. Michael Thom (September 2019). *State & Local Government Review*: <https://journals.sagepub.com/eprint/UVNGRDZ16JADTRHH3NWY/full>

⁴ Film Tax Credits and the Economic Impact of the Film Industry on Georgia's Economy. John Charles Bradbury (June 2019). *SSRN*: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3407921

⁵ Policy Convergence, State Film-Production Incentives, and Employment: A Brief Case Study. Richard V. Adkisson (June 2013). *Journal of Economic Issues*: https://www.researchgate.net/publication/270250429_Policy_Convergence_State_Film-Production_Incentives_and_Employment_A_Brief_Case_Study

⁶ The Creative Economy as "Big Business": Evaluating State Strategies to Lure Filmmakers. Susan Christopherson & Ned Rightor (December 2009). <https://journals.sagepub.com/doi/abs/10.1177/0739456X09354381?journalCode=jpea>

to people who already work in the industry. Job growth was almost non-existent. Market share and industry output didn't budge."⁷

There is, however, another potential tax credit in a proposed bill before the Finance, Revenue and Bonding Committee that would help children from low-income households thrive in Connecticut's K-12 classrooms. [HB 5424: An Act Establishing a Tax Credit for Educational Access and Opportunity Scholarship Donations](#) could help make a real difference in the lives of children today and help Connecticut's economy grow for decades into the future.

The tax credit, essentially, would incentivize individuals and organizations to make donations to scholarship granting organizations in Connecticut that exist to connect those resources with low-income families seeking educational opportunities for their children in K-12 schools.

Tax credits like this currently exist in 18 [states](#)⁸ across the country, including New Hampshire, Rhode Island, Pennsylvania, Illinois, Ohio, and Virginia. Scholarship granting organizations in these states have awarded [billions](#)⁹ of dollars in scholarships to hundreds of thousands of grateful families.

Not only will these tax credits likely lead to improved educational outcomes for the students who [receive](#)¹⁰ them, but they will also help improve outcomes at our traditional public schools that are falling [behind](#).¹¹ The tax credits are also not likely to decrease state revenue, as the individual scholarships awarded are less than the cost of a child attending public schools. This is on top of the likely economic benefit in future years from improved education.

The legislature could set parameters on these scholarship programs to ensure they go to students in households at or below certain poverty thresholds, are learning English as a second language, have a learning disability, have been bullied at school, or come from military families.

According to the CEO of the [Connecticut Center for Educational Excellence](#), who testified in support of HB 5424, she has already received over 600 requests for scholarships from families in over 70 cities in Connecticut since opening the center a mere month ago.

⁷ Lights, camera and no action: How state film subsidies fail. (August 2016): <https://pressroom.usc.edu/lights-camera-and-no-action-how-state-film-subsidies-fail/>

⁸ Tax-Credit Scholarships. *Ed Choice*: <https://www.edchoice.org/school-choice/types-of-school-choice/tax-credit-scholarship/>

⁹ Accountability in State Tax Credit Scholarship Programs. (September 2019) *U.S. Government Accountability Office*: <https://www.gao.gov/products/gao-19-664>

¹⁰ The Effects of Statewide Private School Choice on College Enrollment and Graduation. Matthew Chingos & Daniel Kuehn (September 2017). *Urban Institute*: <https://www.urban.org/research/publication/effects-statewide-private-school-choice-college-enrollment-and-graduation>

¹¹ How does school choice affect public school students? *Ed Choice*: <https://www.edchoice.org/school-choice/faqs/how-does-school-choice-affect-public-school-students/>

Here is a short list of inspirational quotes from students who have already benefitted from the currently limited availability of these types of K-12 scholarships in Connecticut:

- “The desire to work hard and always “do my best” – Someday, I will be a nurse.”
- “My scholarship has helped me understand that someday I can be a lawyer to help other parents and kids – just like me.”
- “We got to go to school all through the pandemic. Someday, I am going to teach students just like my favorite teachers.”
- “I will be a doctor some day because I want to help people, the way I have been helped.”
- “I now understand how hard my mom works to help me attend my private school – this makes me work even harder, and I will attend college someday.”
- “We love going to school and have asked our dad if we can stay for after-school programs just to be with our teachers and friends a little longer.”
- “Every day, I learned more English, and I taught my family what I learned. I just graduated 8th grade and am already thinking of college and becoming a teacher”.
- “My mom and dad could not get help for me - I could not understand how to learn reading, writing or math and could not pass the tests for my grade. Some wonderful people said they would help get a scholarship to help my parents and get a school to help me learn – no matter what. My parents thought we did not qualify for help. I am now in my grade – thanks to wonderful teachers and a principal who takes time every day to help me. They showed me what it means to know God loves even a kid who was not passing. I am doing great – I am even helping my friends at school and learning to play the piano. I am going to college someday. With God, all things are possible.”

This committee has the opportunity to pass a tax credit that could do so much more good than subsidizing the film and movie industry.

Respectfully submitted,

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