

76th House District

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Sarah M. LaTourette
Assistant Majority Floor Leader

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Sponsor Testimony: House Bill 162
House Ways and Means Committee
May 9, 2017

Chairman Schaffer, Vice-Chair Scherer, Ranking Member Rogers and members of the House Ways and Means Committee, thank you for the opportunity to offer sponsor testimony on House Bill 162, also referred to as the Ohio Sound Recording Investor Tax Credit.

Much like the Ohio Film Tax Credit previously adopted, this legislation seeks to incentivize investment in Ohio and attract jobs in an incredibly dynamic industry. Northeast Ohio, where both Representative Smith and I call home, has seen quite an investment in response to the film tax credit, with major motion pictures filmed on the streets of Cleveland and throughout our region. An economic study conducted by the Maxine Goodman Levin College of Urban Affairs at Cleveland State University points to the fact that since July 2011 the Ohio Film Tax Credit has created the equivalent of 1,729 full time jobs and we have seen more than a \$400 million economic impact in the state of Ohio. In fact, the state has seen a return on investment of \$2.01 for every \$1 spent on the incentive. Given the obviously overwhelming success of the film tax credit and along with our history as the birthplace of Rock n' Roll, it just makes sense to extend that incentive to the music industry and embrace our heritage as musical innovators.

Our legislation, the Ohio Sound Recording Investor Tax Credit, or "OhioSounds" for short, would provide tax credits for up to 25% of the related sound recording production costs if projects are created within Ohio. It would also offset 25% of music studio construction and recording infrastructure. Sound production costs must exceed \$10,000 per project to qualify for the tax credit and the incentive can not exceed \$75,000. The total amount of credits is capped at \$1 million per fiscal year. Again, all of these projects must be created in Ohio.

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The music business is a \$7 billion dollar annual industry. There are countless talented Ohioans looking for opportunities in the music industry, and exponentially more outside our state. The over 300 recording studios currently operating in Ohio offer some opportunities for these gifted artists, but this legislation seeks to expand those opportunities and keep that talent in our wonderful state.

Thank you again for the opportunity to speak on behalf of House Bill 162, I will now turn it over to Representative Smith for some additional remarks and some more in-depth information regarding why this is the right choice for Ohio.

