



Testimony: Senate Bill 37 – Film Tax Credits Expansion

Chairman Terhar, Vice Chair Roegner, Ranking Member Williams, and members of the committee, thank you for the opportunity to offer testimony on Senate Bill 37. My name is Micah Derry and I am the State Director of Americans for Prosperity – Ohio. As one of the largest grassroots organizations in the nation, Americans for Prosperity (AFP) is dedicated to educating citizens on how free-market policies lead to more Ohio residents living their unique versions of the American dream.

Through broad-based grassroots outreach, AFP is driving long-term solutions to the country’s biggest challenges. AFP activists engage friends and neighbors on key issues and encourage them to take an active role in building a culture and society of mutual benefit, where people succeed by helping one another, and by eliminating internal and external barriers in their various forms. AFP recruits and unites activists in 35 states behind a common goal of advancing policies that will help people improve their lives.

Senate Bill 37 would expand eligibility for film tax credits to live theater productions and would increase the number of expenses eligible to be used for the credit. AFP has been a staunch opponent of the Film Tax Credit program, and has opposed bills in past legislative sessions to expand the credit. AFP is committed to standing with hard-working Ohioans against using taxpayers’ money for projects like subsidies for Hollywood executives.

Film tax credits are a bad use of taxpayer dollars in Ohio, just as they have been in other states. Government-backed studies from both Michigan and Maryland found jobs associated with film tax credits were only temporary. In the case of the Michigan study, the average job associated with film tax credits was an average of 23 days. A Pennsylvania study found a return of investment for every dollar to be a mere 14 cents.

Too frequently governments use tax credits and subsidies to pick “winners and losers”, and tax credits for films are no different. A 2018 study revealed that in West Virginia nearly 70% of the film tax credit went to only three large production companies instead of small businesses. Instead of continuing the practice of doling out and expanding subsidies, lawmakers should address how our state prioritizes spending in order to create a stronger economic environment for all businesses.

Our state’s funding priorities should focus on delivering core government services while limiting the overall tax burden on Ohio’s businesses, families and individuals. Lawmakers in Columbus should be looking to roll credits and fade to black on film tax credits.

Americans for Prosperity-Ohio will continue advocating for the end of special handouts, tax breaks, and carveouts that cause additional distortionary effects on consumer choices and market transactions. It is time for a new approach to this significant issue for Ohio. I thank you again for the opportunity to provide input in opposition to Senate Bill 37 today.

Micah Derry

State Director, Americans for Prosperity – Ohio

Our mission: Americans for Prosperity exists to recruit, educate, and mobilize citizens in support of the policies and goals of a free society at the local, state and federal level, helping every American live their dream – especially the least fortunate