

**Senate Bill 37 Interested Party Testimony regarding
Senate Ways & Means Committee
March 5, 2019**

Chair Terhar, Vice Chair Roegner, Ranking Member Williams and Members of the Senate Ways & Means Committee, thank you for the opportunity to provide written interested party testimony on Senate Bill 37 (SB 37). My name is John Daugherty and I am the Executive Director and Film Commissioner of the Greater Columbus Film Commission.

The Greater Columbus Film Commission, also known as Film Columbus, is a specialized office under the authority of the City of Columbus with the purpose of promoting the region through the development of film, video, multimedia production, gaming, and commercial production. Film Columbus strives to enrich our community through the art and business of film by convening and empowering individuals, organizations, and businesses in the spirit of collaboration so that film has a measurable impact on the economy, individuals and community.

I would like to thank Senator Schuring for his legislative leadership related to promoting the Ohio Motion Picture Tax Credit Program. My goal in submitting written testimony for the Committee's consideration is to share recommendations regarding how Ohio's Motion Picture Tax Credit statute can be best amended to transform the program into an even greater economic development asset for our state.

According to Entertainment Partners, 32 states offer some form of film and television production tax credits. Today, the Ohio Motion Picture Tax Credit provides \$40 million in refundable and transferable tax credits with a 30% rebate on production cast and crew wages and other qualified expenses to encourage and develop the Ohio film industry with a minimum of \$300,000 per project and with no tax credit cap per project.

The current demand for funding is high and expansion of the program would create even more demand and spur economic development. The Commission recommends an increase to the existing \$40 million tax credit program. An increase is critical especially in light of the SB 37 provisions that would extend tax credit-eligibility to Broadway theatrical productions.

In addition to recommending an increase to the total amount of credits that may be awarded each fiscal year, the Commission recommends passage of the SB 37 provision that would create two rounds of grants each fiscal year. The Commission also supports the SB 37 provision that would require productions to begin within 90-days from the date the tax credit-eligible production is certified.

However, absent an increase to the program, the Greater Columbus Film Commission requests that policymakers consider including a per-project cap to ensure that the tax credit is benefiting Ohio taxpayers, not just out-of-state film productions or for newly-eligible Broadway theater productions. Establishing a project funding cap would ensure the tax credit program meets its intended purpose, the development of Ohio film production. Without a project cap or an above-the-line cap, the tax credit program will be consumed in total or in large part by big, out of state motion picture companies, actors, producers, and directors.

The Commission also asks the bill sponsor and members of this Committee to consider the following amendments to SB 37:

- More clearly define the proposed economic impact study to focus on the creation of new, high-paying jobs and film industry company creation, much like the Ohio Job Creation Tax Credit or Third Frontier Program. The goal here is to not simply reward the recruitment of out-of-state companies and projects with the largest budgets but promote those projects that are aligning with in-state production companies, freelancers, and post production houses thus creating year-round employment; and
- Establish a statewide formula for spending of the Ohio Motion Picture Tax Credit program, much like the Ohio Public Works Commission, that distributes funding evenly across Ohio and does not concentrate the spending in only a handful of Ohio communities.

In conclusion, the Greater Columbus Film Commission believes that the Ohio Motion Picture Tax Credit should be developed and maintained to grow the industry statewide, benefiting those companies that live in Ohio, pay taxes in Ohio, and recruit, hire and retain talent in Ohio. Promoting Ohio as a viable state for visiting and local film productions and building local infrastructure, the state will become more attractive to year-round production projects.

Thank you to Chair Terhar and the Members of the Senate Ways & Means Committee for the opportunity to submit written testimony for consideration.