

Proponent Testimony for HB 475

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Chairman Smith, Vice Chairman Ryan, Ranking Member Driehaus and members of the House Finance Committee, thank you for the opportunity to appear before you today to speak in favor of House Bill 475 regarding Ohio's Motion Picture Tax Credit. My name is Kristen Schlotman and I am honored to serve as the Executive Director of the Greater Cincinnati and Northern Kentucky Film Commission.

The Film Commission was created in 1987 to attract, promote and cultivate film, television and commercial production throughout Greater Cincinnati and Northern Kentucky. Since our inception, we have brought thousands of films, commercials, music videos, documentaries, and industrial videos to the region.

As you have heard from previous testimony, we know that the existing tax credit program has generated a statewide economic impact of \$400 million since its inception in 2009. In January of this year, the University of Cincinnati Economics Center updated its economic impact and related community benefits report of the film industry on Greater Cincinnati. Some of its findings of the productions filmed in 2014-2015 include:

- \$78.5 million in increased spending
- 2,261 new direct and indirect jobs
- \$45.3 million in new wages, bringing \$2.9 million in state and local taxes

The film industry is increasingly competitive both domestically and internationally. The availability of tax credits has become an extremely important factor in producers' decision-making process of where to shoot in the U.S. Increasing the annual allocation of credits to \$75 million is critical to Ohio's ability to compete because we know that producers chase the credits.

In Cincinnati, for example, we have recently lost approximately \$46 million of investment from just a few films because the state no longer had available tax credits. Those films went to New York, Mississippi and Kentucky.

There is no question that increasing the allotment of credits is incredibly important. But perhaps just as important in this bill is the creation of the job training program for resident film crew members. This program will lead to job creation in Ohio's film industry. Having a more robust local labor force will not only attract out-of-state investment to use in-state talent, but it will also encourage Ohio companies to produce their commercials and videos at home.

Related to training Ohioans in this industry, as an aside, I applaud your investment in a film school at Cleveland State in the recently passed capital budget. This too will assist in expanding Ohio's film industry and create jobs and opportunity for Ohioans.

As with any business, we constantly strive to have return customers. We work incredibly hard to make sure that the experience in Ohio is a positive one so producers will immediately consider us when they are putting together their next project. We have been fortunate to have repeat business in Cincinnati because of how the community has embraced the industry – from the hotels, restaurants and bars to the visitors bureaus and tourism networks to the IATSE Local 209. In addition, the staff at Development

Services Agency deserves kudos for the user friendly program and for their ability to turn around tax certificates in a short amount of time, even in the heart of tax season. Those factors all matter.

I want to thank the General Assembly and Administration for your commitment to fostering the creation and retention of jobs and capital investment in Ohio. I strongly encourage you to pass this legislation quickly to unleash the capacity of the tax credit program and our thriving Ohio film industry.

Thank you again for your attention to this important economic development issue. I would be happy to answer any questions you may have.