

**NBCUniversal**

**Testimony to the Senate Finance Committee  
Substitute House Bill 166 – Ohio Motion Picture Tax Credit  
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Chairman Dolan, members of the Committee, my name is Brian O’Leary and I am the Senior Vice President and Tax Counsel for NBC Universal. I am submitting testimony as an interested party to the Senate Finance Committee on behalf of the Ohio Motion Picture Tax Credit. As you are likely aware the enabling language for the Ohio Motion Picture Tax Credit was removed in the House version of Sub HB 166. The purpose of my testimony is to demonstrate the benefits the tax credit has had on Ohio businesses and to respectfully request your consideration to restore the tax credit language.

The Ohio Motion Picture Tax Credit has been a development tool the state has leveraged to attract investment from outside Ohio to foster job creation and increased sales for businesses in communities across the state.

With every film or television project that is fortunate enough to film in Ohio, the producers invariably become enamored with the experience of working in the state and that desire to return gives rise to the motion picture tax credit program being annually oversubscribed.

Although Ohio does not offer the most competitive incentive in comparison to locations such as Georgia, Massachusetts, Canada, or the United Kingdom, the state does offer a solid tax credit program that allows Ohio to showcase its well- trained workforce, strong supply chain and diverse filming locations.

NBCUniversal is now one of the many companies that are keen to return to Ohio and work with local crews and businesses to produce content together for export to global audiences. In addition to television series such as ‘Cleveland Hustle’, NBCUniversal has also filmed ‘The Fate of the Furious’ in the Greater Cleveland area. Over the course of production, ‘Fate of the Furious’ spent more than **\$15 million on Ohio labor, goods and services**. In addition to **hiring more than 1,500 Ohio residents** as cast, crew and extras, the production spent approximately **\$880,000 on local accommodations, more than \$650,000 on Ohio location fees, and in excess of \$1.2MM on various equipment rentals**.

The continuation of the Ohio tax credit program is essential to attracting opportunities such as ‘**Fate of the Furious**’, ‘**Captain America: Winter Soldier**’, ‘**Draft Day**’ and ‘**The Avengers**’. The impact of the industry’s investment is reflected in the depth and breadth of spending across the economy that each project represents, but more broadly it is important to acknowledge the state is receiving economic value that outpaces the annual \$40MM tax credit commitment currently offered.

The credit provides employment opportunities across the jobs spectrum for Ohio residents, with positions ranging from construction, lighting and grip to photography. To date, more than **11,800**

**Ohioans have come to rely in whole or partially on film production spending in the state.** There are also now **more than 657 Ohio businesses that are directly and exclusively involved in the film and television sector**, which is in addition to the approximately 1,500 other Ohio businesses such as catering, hotels, security, transportation and hardware stores that benefit from production activity.

In addition to the data collected by Cleveland State, the University of Cincinnati, the Greater Ohio Film office and the Motion Picture Association of America on the Ohio film industry's economic impact, there are a number of reports around the United States that chronicle the economic value film and television production incentives can deliver to a state economy.

Given the differences in the jurisdictions studied and the structure of the incentives, film incentives have generated a broad range of positive economic and fiscal outcomes for governments in the U.S. and around the world. For example, in 2017, the economists at Camoin Associates issued a report on behalf of the New York State government that the government return on investment for the 30% NYS film production tax credit was **\$1.15 in taxes collected for every \$1.00 of credits issued**. Another New York State report prepared by Cornell University found that for every 1 job hired to work in film and television production there are another 2 jobs created in the economy; a **3:1 effect**.

A study sanctioned by the Georgia Department of Economic Development and commissioned by the Motion Picture Association of America (MPAA) showed the 30% Georgia Film Tax Credit program returns \$1.24 in state and local taxes for every \$1.00 in tax credits issued. In the same study, **film-induced tourism spending in Georgia was estimated to be \$429 million**, generating \$33 million in state and local tax revenues.

In Maryland, according to a Regional Studies Economic Institute report, the state's 25-27% film production incentive generates **more than \$1.03 in state taxes** for every dollar of incentive issued, while the average film project contracts with more than 1,240 Maryland businesses. The Maryland report established that over the course of filming in the state, **10 productions hired almost twelve thousand workers** in-state and generated more than a half-billion in economic impact in Maryland.

In 2011, the MPAA commissioned a case study by Ernst & Young of the impact of the Illinois film tax credit program and the report concluded that \$59MM of production spending in Illinois generated \$91 of economic impact across the state and returned **in excess of \$1.14 in Illinois taxes for the value of every \$1 of tax credit issued**.

Ohio, its workers and its businesses are essential partners in the U.S. domestic production of film and television projects. There is enormous potential for Ohio to expand and diversify its economy by attracting investment dollars from out-of-state. The projects created in Ohio are world-class and it is the industry's hope that this burgeoning relationship may continue.

Thank you for your consideration.