



Senators Jane Timken and Tom Patton

Sponsor Testimony: Senate Bill 159

Chairman Blessing, Vice-Chair Roegner, Ranking-Member DeMora, and members of the Senate Ways and Means Committee, thank you for the opportunity to provide sponsor testimony on Senate Bill 159 to modify the film and theater production tax credit.

The motion picture and theater production tax credit has proven to be a success in attracting motion picture and theater productions to Ohio. Between the two application rounds in 2024, the Department of Development awarded tax credits to 44 qualifying film and theater productions totaling \$268.7 million in eligible production expenses and \$653 million in total production expenses. Just in northeast Ohio, productions hired 2,926 crew, 2,570 background actors, and 406 vendors. It is also important to note that productions booked over 30,000 hotel room nights, which amounts to \$4.5 million in hotel room night spending. The refundable tax credit is only awarded *after* production has wrapped.

The motion picture tax credit has generated a return on investment of 300%, however, there is more we can do to increase our return on investment and make Ohio competitive with the 36 other states with motion picture tax incentives. Ohio currently loses 25-35% of the productions that want to film in Ohio but could not apply due to the current application process.

Senate Bill 159 seeks to expand on the success of Ohio's current motion picture tax credit by making technical changes to the application process. The key components of the bill are as follows:

- Streamline the application process with a rolling-application window on a first-come, first served, basis. Currently, applications are reviewed twice annually, once on July 31 and once on January 31.
- Require the Director of Development to rank and complete any pending applications on the basis of their positive economic impact.
- Allow each applicant to submit an investment intent letter to satisfy the "financial ability to undertake and complete the motion picture or Broadway theatrical production" requirement. Currently, applications are being denied due to technical challenges with the documentation requirement. Based on feedback from industry experts, we believe this change will remedy the issue.

- Remove the current \$5 million earmark for capital improvement projects. We have observed in other states that film production is the driving force of infrastructure development. Georgia, for example built 2.5 million square feet of studio space without infrastructure credits because production tax credits produced a high volume of projects, demanding the construction of additional studio space.

In conclusion, Ohio has great assets for motion picture and television productions. We have four distinct seasons, cityscapes that replicate large cities and also villages that manifest Americana. Our state has a diversity of landscapes ranging from the foothills of the Appalachian Mountains to the plains in western Ohio and the water backdrops of Lake Erie and the Ohio River. Not to mention the strong work ethic of Ohioans and lower costs associated with our tradespeople, materials, and services.

Chairman Blessing, Vice-Chair Roegner, Ranking-Member DeMora, and members of the Senate Ways and Means Committee, thank you for the opportunity to provide sponsor testimony on Senate Bill 159. I am happy to answer any questions the committee may have.