



Chairman Dolan, Vice Chair Cirino, Ranking Member Sykes and members of the Senate Finance Committee, thank you for the opportunity to submit testimony on Substitute House Bill 33. My name is John Daugherty and I am the Director of Film Columbus and Film Commissioner for Columbus and the central Ohio area.

Film Columbus was formed to promote the State of Ohio and the City of Columbus as a filmmaking destination. Film Columbus is redefining what the film industry is as we see opportunities in all areas of entertainment including film, animation, game development, and distribution.

Currently, Ohio has a motion picture tax credit cap of \$40 million a year. This cap became an issue last year when an Adam Driver movie titled *White Noise* was filmed in Ohio. While having a high-profile, high-budget film like *White Noise* has its advantages, it ate up the entire tax credit. Ohio lost out on over \$200 million dollars given that other entities who applied for the credit were rejected due to lack of funding.

The recent application period ending June 1, 2023, had requests of over \$80 million in incentives. The demand is there and that money is going to be spent somewhere. Why not let that money be spent in Ohio?

I believe strongly in seeing productions and brick and mortar spread throughout the entire state. I scouted in Belmont County last year for a film called *Unikorn* directed by Debbie Berman, best known for her film *Black Panther*. That project had to look elsewhere due to the uncertainty of the current OMPTC.

Ultimately, we would support an amendment similar to SB 4, which would result in an uncapped motion picture tax credit. I do applaud a separate incentive of 25% for brick and mortar development of facilities related to film, game, animation, and technology industries. This capital improvement incentive is key to future growth.

With a recent proposal of limiting incentives to cap at \$5 million per county does not solve the problem of spreading productions around the state or larger productions taking the entire incentive (such as *White Noise* mentioned above). The best solution would be a tier/earmark program. If the total cap of the OMPTC program is \$75-\$100 million, there should be an earmark for projects of \$7 million or less:

- Level 1: \$3M earmark for films from \$300k up to \$2M
- Level 2: \$5M earmark for films \$2.01M up to \$7M

This system would allow room for the smaller projects to still receive an incentive. And the smaller projects is where the growth of cast and crew reside.



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614-221-8648 • FILMCOLUMBUS.COM
182 E. LONG STREET • COLUMBUS, OH 43215

Shawnee State University has one of the best game development programs in the country. The game industry is now three times larger than film and music combined. This incentive could bring some of those game developers to Ohio. Studios and production companies are looking at new game developers for IP. As Marvel continues to run out of ideas, Ohio could be a developers dreamland for film, game development, and animation creators. There are over 20 colleges and universities around Ohio with programs in the industry. We must provide opportunity for those students to stay in Ohio.

States around the country have motion picture tax credit caps that are above \$40 million, while states like Georgia have no cap at all. Georgia saw an explosion of projects, subsequent investments and economic impact after removing the cap.

Critics point to the perception of a low return on investment for the state and are seen as a short-term infusion without a lasting impact on the local economy. What is often overseen is the domino effect it has on the community for immediate and long-term investment. If the tax credit is uncapped, we predict an influx of activity around brick-and-mortar construction of facilities used in the production of film. Further, film production would help local businesses throughout Ohio. The potential for hundreds, even thousands, of jobs is very real.

Thank you,
John Daugherty
Director, Greater Columbus Film Commission