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Substitute Senate Bill 4 – Sponsor Testimony
Senate Ways and Means Committee
May 6, 2023

Chair Blessing, Vice Chair Roegner, Ranking Member Smith, and members of the Ways and Means Committee, thank you for the opportunity to provide sponsor testimony on Substitute SB 4.

The motion picture industry is evolving into the 21st century's new manufacturing sector. It's a growth industry that spent 220.2 billion dollars globally on productions in 2021, even after being affected by the Covid-19 pandemic.

The streaming wars have exploded beyond comprehension. Amazon, Apple, Discovery, Disney, HBO Max, Hulu, Netflix, Paramount+, and Peacock have all accelerated their total production budget spending (Disney's budget alone has increased by \$8 billion year over year to \$33 billion). It's more important than ever for Ohio to seize this economic opportunity created by these multiple new independent content production platforms.

The state of Georgia's motion picture tax credit is recognized as the premier credit program in the nation. Substitute Senate Bill 4 establishes a four-year demonstration project designed to replicate Georgia's success. The key components of the bill are as follows:

- Just like Georgia, the bill establishes a 30% transferrable tax credit that is uncapped and non-refundable.
- The bill also has a year-round application process just like Georgia.
- The legislation establishes a 25% capital tax credit for brick and mortar projects that will lead to permanent jobs (sound stages etc.). This is also just like Georgia.
- Just like Georgia, unused tax credits will be carried forward for up to five years.
- To ensure that the legislation generates economic value to the state it establishes a system of metrics to measure the economic impact of the program during the four years that it is in effect.

In 2021, Georgia's motion picture tax credit had an economic impact of over 7 billion dollars and 92,000 full time employees to the state. I believe this legislation will bring similar results to the state of Ohio.

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

diversity of the demographics of our population and the strong work ethic and low costs associated with our tradespeople.

In my opinion, a combination of all the above will allow Ohio to compete and even surpass the number of productions that are occurring in Georgia.