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February 22, 2022

Senate Bill Number: SB597-2022  
Senator Guy Guzzone  
Chairman  
Senate Budget & Taxation Committee

Re: Income Tax - Theatrical Production Tax Credit (SB597)

Dear Senator Guzzone and Committee Members,

I am writing on behalf of TROIKA Entertainment to endorse Senate Bill 597, adding the Theatrical Production Tax Credit to the existing Economic Development program. TROIKA Entertainment has been an innovator in producing touring musical theatre productions for over three decades, producing shows throughout the United States and Canada, Central and South America, Europe and Asia. From working with directors and designers, to the casting of performers, to the nuts and bolts of building sets and costumes, to getting the audience in their seats for every performance, TROIKA Entertainment is a leading expert in the theatrical industry.

Based in Montgomery County, Maryland, TROIKA Entertainment employed 675 full-time theatrical professionals in 2019. Troika receives its employees through an Employee Leasing Company / Professional Employer Organization ("PEO"), Cohesive Networks 2, Inc., a Maryland formed corporation. These employees included hundreds of actors, stagehands, and tour managers as well as 23 locally based corporate employees, providing a full spectrum of General Management services, Production Management services, and Booking, Marketing & Sales Management services for all types and scale of theatrical productions. In addition, TROIKA operates a warehouse located in Ann Arundel County, housing theatrical props, costumes, and scenery available for rental to local productions once the touring production has concluded.

With strong ties to the Broadway community, TROIKA prides itself on delivering top quality productions to audiences worldwide.

In order to accomplish the launch of a successful tour, we strive to find the right location to rehearse the technical aspects of a tour on stage and in front of an audience. This not only includes selecting the proper venue, we also look for a location where access is available for purchasing last minute items for the sets and costumes, renting additional sound and lighting equipment if necessary, where hotels, restaurants, and personal services are available for the staff, and where we can take advantage of costs savings. In recent years, many states have extended their existing film and television tax incentives to include theatrical productions. This cost savings entices companies like ours to look closer at the venues in these states. As a Maryland based company, a tax incentive in our home state would certainly make launching our tours in the state of Maryland our number one choice.

The state of Maryland would reap the benefits of increased employment for local stagehands, musicians, venue staff, and box office staff, additional revenue for local businesses that service the tour staff, and additional cultural awareness to the community.

Many of the theatres that program Broadway touring musicals in the state of Maryland play anywhere between 1-8 performances. When a tour launches, they will occupy the venue for up to 4 weeks prior to the first performance, employing about 100 local theatrical and support staff. The launch city not only receives an influx of revenue, it is often highlighted in the national press coverage of the production.

# TROIKA

E N T E R T A I N M E N T

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In my 30 years in the touring musical theatre industry, I have watched many cities grow and develop new businesses in and around the venue to accommodate the demands of a large touring company, which averages between 80-120 members, residing in the area for an extended period of time. As the surrounding area grows, the audience has greater opportunity to enjoy the surrounding shops and restaurants, turning an evening at the theatre into a complete evening event.

It is our hope that the committee members will recognize the benefits of extending the current tax incentive to theatrical productions and will recommend this Act to the General Assembly.

Sincerely,



Angela Rowles  
Chief Executive Officer