



February 22, 2023

Chair Guzzone and Members of the Senate Budget and Taxation Committee
Miller Senate Office Building
11 Bladen Street, 3W, Annapolis, MD 21401

RE: SB452

Dear Chair Guzzone and Members of the Senate Budget and Taxation Committee,

Thank you for your consideration of Senate Bill 452, which seeks to raise the annual available amount of tax credits for film production in Maryland.

I'm Kathryn Klvana, a full-time actor and voice over performer, and I'm proud to make my living in the state of Maryland. I currently serve as President of the Washington-Mid Atlantic Local of SAG-AFTRA, the union of professional performers. On behalf of our nearly 5,000 local members, I urge you to pass SB452.

A film or television production generates work for thousands of people who live here. That means jobs for local actors, and also for crew to build the sets, move the gear and transport the cast. It means hotel rooms, rental cars, catering and security details.

The Motion Picture Association estimates that a good-sized production spends about \$250,000 a day when filming. That money has a direct effect on the local economy. HBO's *Veep*, which moved its production to California for the last three seasons in part because of our unstable tax credit program, generated over \$165 million worth of impact on Maryland's economy while it was here. Think of what this proposed increase to our tax incentive program could do for our state, by doubling and ultimately quadrupling our current tax cap levels.

For actors, working on a film or television production as a principal performer, even for a day, results in a nice credit and good pay. It also means residual payments for years to come when the film is streamed, distributed in foreign markets or shown on cable television. That's money in our pocket that continues to grow and an ongoing tax revenue stream for Maryland. Even background work is coveted because it helps our members make their health insurance and pension minimums, thereby reducing the impact on state programs. A Baltimore actor told me she was able to qualify for health insurance for the first time in several years because of the months of work she did as a stand-in on HBO's *We Own This City*.

This is not a giveaway to Hollywood bigwigs. It's a rebate on money spent in our state that makes a huge difference in our members' lives, allowing them to put food on the table and protect their families with decent healthcare. Actors in Maryland are frustrated with not being

able to find work here, and routinely audition for, and travel to, work in New York, North Carolina and Atlanta, areas that have more favorable tax incentives.

Tax incentives have changed the way that film and television production is done in this country. The success of film incentives in Georgia, which has no cap, is well documented. It's the reason you see the Georgia peach at the end of so many films. More than 300 productions filmed there in fiscal year 2021. Massachusetts, also with no cap on its film incentive program, has seen productions soar in recent years. Without a robust, consistent tax incentive program, Maryland cannot compete.

Raising the annual amount of tax credits for film production in Maryland to \$25 million in fiscal year 2023 and \$50 million in fiscal year 2024 and beyond will accomplish several things. First, it will enable more than one major production at a time to be covered.

Second, its stability will make a huge difference. Production companies plan in advance and will simply choose another state without assurance that our tax incentives are stable and consistent.

Ultimately, raising these tax caps will have an enormous impact. It will encourage new investments in infrastructure, create more jobs, and allow the many workers who make their living in the film industry to stay and thrive here in Maryland. It gives students a career path to pursue. Growing the television and film industry positively impacts our state's tourism as well. Our beautiful state has diverse and versatile locations. When shown on screen, this adds invaluable marketing power to our travel and tourism initiatives.

For the thousands of taxpayers who are part of the creative community here in Maryland, SAG-AFTRA actors, IATSE production crew members, Teamster drivers, DGA assistant directors, small business owners and other workers, I urge you to pass SB452.

Respectfully submitted,

Kathryn Klvana
President, Washington-Mid Atlantic Local
SAG-AFTRA