



14755 Preston Rd #800, Dallas, TX 75254

HB 997 – Admissions and Amusement Tax – Food and Beverages

In the House – Ways and Means Committee

February 24, 2025

Position: Unfavorable

Chair Delegate Vanessa E. Atterbeary

Vice Chair Delegate Jheanelle K. Wilkins

In am writing on behalf of Cinépolis USA. My name is Luis Olloqui, I am the President and CEO of Cinépolis USA. Cinépolis USA operates twenty-six theaters in the US, including our Gaithersburg Cinépolis Luxury Cinema which opened in September of 2019. As you can imagine it has been a very rough road for the theater from the start. We have not been able to break even given all the circumstances impacting the movie theater industry: Covid-19 Pandemic, Writers and Actors Strikes, Streaming Wars, etc.

Movie theaters make the most of their profits through concession sales. Studios charge Cinemas up to 70% of the ticket sales as film rental. Therefore, you can say we build theaters to sell food and beverages. This is even more prominent in a Dine-In Cinema, like the one we operate in Gaithersburg. A 3% tax of Food and Beverage will really impact our business, as we will have to increase our prices by that amount. That on top of the inflation impacting food prices the last few years, will continue to impact our customers pockets, making it less appealing to go to the movies or buy Food and Beverages in them.

The industry is still in recovering mode, the US Box Office in 2024 was 24.6% lower than the one registered in 2019. The industry needs support to continue to operate and avoid closing theaters. A 3% tax of Food and Beverage will just create an additional bump on a very rough ahead for Movie Theaters in the US.

Respectfully,

A handwritten signature in blue ink, appearing to read "Luis Olloqui".

Luis Olloqui
President and CEO