



# MARYLAND STATE & D.C. AFL-CIO

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**SB 718 – Income Tax – Film Production Activity Tax Credit - Alterations**  
**Senate Budget and Taxation Committee**  
**February 19, 2020**

**SUPPORT**

**Donna S. Edwards**  
**President**  
**Maryland State and DC AFL-CIO**

Chairman and members of the Committee, thank you for the opportunity to provide testimony in support of SB 718 – Income Tax – Film Production Activity Tax Credit - Alterations. My name is Donna S. Edwards, and I am the President of the Maryland State and DC AFL-CIO. On behalf of the 340,000 union members in the state of Maryland, I offer the following comments.

The Film Activity Tax Credit is the gold star of economic development and industry expansion in Maryland. It has done exactly what was promised and exceeded expectations. It has promoted Maryland as a prime location to film television series and movies and created and maintained family-sustaining jobs, and it has had an economic impact on our State and Maryland businesses far greater than the credit itself. According to the Department of Commerce, for a grand total of \$88.7 million in credits from 2012 to 2019, production expenditures in Maryland were \$597 million with an economic impact of over \$1 billion. Thousands of Marylanders were hired to work on these projects, and over 3,000 Maryland businesses were directly involved and positively impacted by this spending.

The film industry employees are highly skilled, well paid, and have health and pension benefits. These are high-road jobs contributing to our state and local economies. The International Alliance of Theatrical Stage Employees (IASTE) and the Screen Actors Guild - American Federation of Television and Radio Artists (SAG-AFTRA) represent the vast majority of these workers ensuring job safety, good benefits, fair non-discriminatory treatment, and other job protections.

Another important component of any successful business tax credit that aims to create jobs is accountability and transparency. Once again, the Film Activity Tax Credit exceeds on these two metrics. There is no upfront funding and the rebate is given only after production is finished and all spending on the project is approved through a thorough third party audit conducted by Commerce, with an accompanying filed tax return.

**Immediately increasing the amount of funding for the Film Activity Tax Credit will reap greater benefits – at a faster rate – than the slower phase-in that is currently scheduled. Workers, Maryland’s small business, and our economy will all be positively impacted by fully funding this completely transparent and accountable tax credit.**

**We ask for a favorable vote on SB 718.**