

TROIKA

ENTERTAINMENT

January 18, 2021

Honorable Guy Guzzone
Chair, Senate Budget and Taxation Committee
Miller Senate Office Building
Annapolis, MD 21401

Re: Senate Bill 171 (Income Tax – Theatrical Production Tax Credit)

Dear Chairman Guzzone:

I am writing on behalf of TROIKA entertainment to endorse 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, prior to COVID-19, employed 675 full-time theatrical professionals. Troika receives its employees through an Employee Leasing Company/ Professional Employer Organization ("PEO"), Cohesive Networks 2, Inc., a Maryland formed corporation. These employees include hundreds of actors, stagehands, musicians, and tour managers, as well as 23 locally based corporate employees, providing a full spectrum of general management, production management, accounting and booking, marketing & sales management services for all types and scale of theatrical productions. In addition, TROIKA operates a warehouse located in Anne Arundel County, housing theatrical props, costumes, and scenery available for rental and donation to local productions, schools, and non-profit organizations once the touring production has concluded. With strong ties to the Broadway community, TROIKA prides itself on delivering top quality productions to audiences worldwide.

As we look ahead, the live entertainment industry has been hit hard by COVID-19. We were the first ones to shut down March 13, 2020 and will be the last ones to return. Unlike local performing arts organizations, as a commercial theatre producer, we are not eligible for the emergency grants being distributed by the Maryland State Arts Council. Therefore, the Theatrical Production Tax Credit is needed now more than ever to ensure we can get the shows back up and running. 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 priority.

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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 includes not only selecting the proper venue, but also identifying 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 prioritize venues in these states with tax credits.

The economic impact of mounting a multi-million dollar live touring production in the state of Maryland will benefit other industries hit hard by COVID-19 as well such as hotels, restaurants, and other local businesses that service the tour staff. It will increase revenue for the state through payroll taxes for local stagehands, musicians, venue staff, and box office staff, all of whom will have been out of work for over a year.

If passed, a theatrical production tax credit would ensure companies like ours can reopen, revitalizing the entertainment and hospitality industries within the local communities.

Thank you for your support in putting forth the Theatrical Production Tax Credit Bill.

Sincerely,



Angela Rowles
Chief Operating and Financial Officer
TROIKA Entertainment