

Incentive Letter.pdf

Uploaded by: Aaron Skalka

Position: FAV

February 7, 2023

Chair Atterbeary and Members of the
House Ways and Means Committee
6 Bladen Street, Room 131
Annapolis, MD 21401



Dear Chair Atterbeary and Committee Members:

On behalf of the employees and owners of Transportation Resources, I extend my thanks to you for your consideration of HB 270 which will extend and enhance the current motion picture and television industry's tax incentive here in Maryland. This bill will help cement Maryland as a true option for producers and studios as they seek locations for feature film and series production.

You are well aware of the benefits of these incentives to the state's treasury. The numbers are clear that there is truly no down side for the state at the income level. Anything returned to these productions as a rebate has already been earned in taxes paid by the filmmakers with at least a three percent upside in favor of the people of Maryland. However the important thing to realize is that the financial impact to the state doesn't stop there. In fact, that is just the basic benefit. The true impact is observed by following the money spent by productions downstream. Time and again, independent studies have shown that states with a robust and reliable incentive program get back three to four hundred percent of that in an indirect benefit once the funds generated are fully spent.

As a business with a strong presence here in Maryland and a resident of Annapolis, I can testify with authority that the money spent with us on productions here in Maryland stays here in Maryland and supports purchases of goods and services as well as fees paid to state agencies and income tax paid directly back to the state. These are more than numbers in a report. These are hundreds of thousands of dollars spent here that stay here.

HB270 will allow vendors like us as well as crew members like me to work at home and invest in our careers while living in this beautiful state. The bill will give the State and Local Film Offices the ability to showcase Maryland and all it has to offer to studios and producers while remaining competitive with other locations when the conversation turns to production costs.

I am truly grateful for that which you have done so far to move this Bill along and I look forward to your favorable decision on its fate.

Kindest Regards,

Aaron Skalka

Managing Member

TRANSPORTATION RESOURCES

Logistics & Equipment | Motion Pictures & Television

890 Airport Park Rd #118 | Glen Burnie, MD 21061 USA

HB 270 - Support Testimony .pdf

Uploaded by: David O'Ferrall

Position: FAV

Mid Atlantic Studio Mechanics and Broadcast Technicians

I.A.T.S.E. Local 487

OFFICE LOCATION: 2301 Russell St., Baltimore, MD 21230

MAILING ADDRESS: P.O. Box 16315, Baltimore, MD 21210

February 9, 2023

House Ways and Means Committee

HB270 - Income Tax - Film Production Activity Credit - Alterations

SUPPORT

By increasing the Funding, as this Bill would, HB 270 will continue to bring good jobs and help create new opportunities here in the State of Maryland. Every Production brings an influx of millions of dollars that would not otherwise be spent here. Money that is spent again and again with Maryland companies purchasing goods and services, not just related to a particular project and also by the individual Marylanders who work on and benefit from these productions.

Currently, there is not enough in the program to bring multiple jobs here. Many productions chose to go elsewhere to States with more robust production incentives. Those in our industry, who wish to continue working in their chosen profession, may have to travel away from their homes in order to support their families for 6 to 9 months at a time. When Film or Television production is here thousands of Marylanders are working, earning, and spending money in their communities and receiving health and retirement benefits for their families. Without the funding increase, hundreds of jobs will be lost to States like Virginia, Pennsylvania, New York, Georgia, and elsewhere.

The crew and talent here in Maryland have established themselves as amongst the best in the world. Productions now hire the majority locally. Any given production can create upwards of 500 jobs for crew and innumerable opportunities for hundreds of local actors. A single production can mean over \$8 million in total wages paid to Maryland residents and over \$2 million in health and retirement benefits and this amount only includes Motion Picture Technicians; this does not include Actors, production staff, or Teamsters.

This isn't about supporting Corporations or celebrities - This is about supporting the working men and women of Maryland who rely upon the Motion Picture and Television industry to support themselves and their families. This is about job creation and job retention. This is about health and retirement benefits for adults and children.

This Program has the best reporting requirements in place of any other Tax Credit- NOT A SINGLE DOLLAR GOES OUT UNTIL A THOROUGH AUDIT OF ALL QUALIFIED MARYLAND EXPENDITURES HAS BEEN COMPLETED BY THE DEPARTMENT OF COMMERCE.

House Bill 270 will allow this industry to grow and create good jobs here in Maryland and we ask that you SUPPORT the Bill with a FAVORABLE REPORT.



Paul Thomas
President

Justin Unger
Vice President
Southern Region

Len Applefeld
Vice President
Northern Region

Ellen Popiel
Secretary/Treasurer

David M. O'Ferrall
Business Agent

Metropolitan Baltimore
Council
AFL-CIO Unions

Maryland State & DC
AFL-CIO

Metropolitan Washington
Council
AFL-CIO

Virginia State
AFL-CIO

John Krumpotich HB270-Support.pdf

Uploaded by: John Krumpotich

Position: FAV

February 7, 2023

Chair Atterbeary and Members of the
House Ways and Means Committee
6 Bladen Street, Room 131
Annapolis, MD 21401

Support for HB270

Dear Chair Atterbeary and Members of the House Ways and Means Committee,

Last fall our property was the site of a filming location for the new television series ‘*Lioness*’ which will premiere on Paramount Plus in the near future. While the actual filming aspect of the process took five days, the capital invested into the property and local community far exceeded the week-long filming experience at our historic property. Fort Ritchie is a decommissioned Military Installation with an incredible history and approximately fifty buildings which are nearly a century old. After the property was selected for the film, Paramount almost immediately began investing funds into the site which had been left generally abandoned since its closure in 1998. Filming was done in three buildings, all of which received significant improvements on their interiors. For example, one building on site had not had power for nearly 25 years, the basement had significant debris, and the wooden floors on the first floor of the 5,000 square foot building were in rough shape. Paramount invested significant work into this building and used local labor which will now allow us to open a taproom there this year. Doors on many of our buildings were painted and hundreds of broken windows were replaced. This could not have been accomplished in such a rapid and effective manner without the presence of the production studio.

During the week of filming, the Fort absorbed 53 tractor trailers, dozens of military vehicles, and hundreds of extras who swarmed into Western Maryland from the quad-state area. The benefit to Cascade, the community surrounding the filming site, was immense to say the least. Cascade, Maryland, which currently hovers at around 11% poverty rate, was completely swarmed with business during the entire week. A café which had just opened the week before had a phenomenal opening week, the independently owned gas station had a huge spike in customers purchasing food and gasoline; Paramount bought every gallon of their propane for various uses throughout their sets. A custom metal manufacturer on site was contracted to create several pieces which enhanced the visual appeal of the site for the film and were later gifted to us. Rental and construction agencies were slammed with requests for manlifts, electrical equipment, painters, materials, and the like. Contractors were hired in droves to accommodate the rapid and quality pace of the production company’s expectations while area hotels were occupied with virtually hundreds of set designers, art departments, technical support, directors, and other staff.

Most notably, there was an exciting buzz of excitement in our region of the state surrounding the production of a movie which has not been present here since the filming of the 2003 Civil War film ‘*Gods and Generals*’. Without question, this film’s presence in Washington County generated immense value for our community and we have not yet seen the ripple effect of the show’s release. To put it in perspective, the fourth season of Paramount’s popular series

Yellowstone, the same network producing this show, has helped Montana generate \$85 million in revenue to the state. The rural area in which that show was filmed now sees crowds of tourists which has been a large boon for their tax base, businesses, and residents for years. The experience we were left with at Fort Ritchie was an incredibly positive one. The production company came to our property, constantly checked in to ensure our satisfaction, enhanced numerous locations on site, paid for their usage of the property, and bolstered many other local businesses in the process. The same things will be true of Maryland if the state continues to support the film industry's capacity to highlight the geographically diverse state in which we live. I'm requesting that you please pass HB270.

Sincerely,

John Krumpotich
Owner of Historic Fort Ritchie

Underdue Testimony HB432_0223.pdf

Uploaded by: Towanda Underdue

Position: FAV



February 9, 2023

Chair Atterbeary and Members of the House Ways and Means Committee
House Office Building, Room 131
6 Bladen St., Annapolis, MD 21401

RE: HB270

Dear Chair Atterbeary and Members of the House Ways and Means Committee:

Thank you for your consideration of House Bill 270, which seeks to raise the annual available amount of tax credits for film production in Maryland.

I'm Towanda Underdue, a full-time professional actor and voiceover artist for over 20 years born, raised, and currently living in Baltimore. I am a proud first-generation college graduate of Towson University and attended the Baltimore Polytechnic Institute. I am glad to have grown up here and to now make my living in the state of Maryland. I currently serve as National Board member of the Washington-Mid Atlantic Local of SAG-AFTRA, the union of over 5,000 local members of professional actors, broadcasters and performing artists. We are the third largest local outside of Los Angeles and New York, though sadly with the least tax incentives comparatively. We as the Washington-Mid Atlantic Local of SAG-AFTRA, urge you to pass HB270.

It is important to realize that an increase to the tax credit is not a giveaway to red carpet VIPs in Hollywood. It is a boost to those living and working here like me. Also, this is a rebate on money spent in our state - and the rebate only occurs after the production has finished. There is no upfront spending needed. It's simply a win-win. This incentive program makes such a big difference in the lives of our members that it allows them to put food on the table and have access to decent health care and retirement benefits. These are tangible benefits to Marylanders.

The life of an actor working on a film or a television production, even for one day, earns the performer a living wage. It also means residual payments for years to come when the film is streamed online, distributed in foreign markets, or shown on cable television. The effects of this work has a ripple effect on our lives that is felt in subsequent years. It puts money into my pocket and the pockets of my co-stars, but it also creates an ongoing tax revenue stream for Maryland.

Background performers also benefit from this program. With the work available due to the projects *FLAMINGO* and *LIONESS* this past year, some background performers I know have been able to qualify for health insurance for the first time in several years because of the work they had access to as a stand-in and general background performers. This work is so important for our members as it allows them to make their health insurance and pension minimums, thereby reducing the impact on state programs.

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SCREEN ACTORS GUILD - AMERICAN FEDERATION OF TELEVISION AND RADIO ARTISTS

Associated Actors & Artistes of America / AFL-CIO

But, it isn't just for myself and my fellow actors, a film or television production generates work for thousands of people who live here. These are high-paying career positions that create work in many areas in front of and behind the camera, for example all of the crew positions needed to build the sets, move the gear, and transport the cast. It also translates to generating work in the community due to a need for rental cars, catering, security, set dressing, wardrobe pieces, hotel rooms and real estate.

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!

Tax incentives have changed the way that film and television production is done in this country. A quick inquiry into the film incentives in Georgia, which has no cap, will show the program as a well documented success. Massachusetts, also with no cap on its film incentive program, has seen productions soar in recent years. I would like to stay and work in Maryland as often as I can, but due to the tax incentives available in other states, I often must leave in order to work. When my agent calls me to travel to Atlanta for the projects, 'The Other Black Girl' and 'Star Girl' or in New York for shows, 'Wu Tang: An American Saga' and 'BULL,' I'm excited to work but apprehensive. The logistics of extra travel days, lodging, deciding if it's best to go by plane, train or automobile and travel safety are at the forefront.

Increasing the annual amount of tax credits for film production in Maryland to \$25 million in fiscal year 2024 and \$50 million in fiscal year 2025 and beyond will accomplish several things.

First, it will enable more than one major production at a time to be covered in the state.

Second, the industry thrives in a stable environment and a stable, vibrant film incentive program would make a tremendous difference. Production companies plan in advance, and will simply choose another state without assurance that our tax incentives are stable and consistent.

Financially, this increase would not only create more well-paying jobs, but would encourage new investments in infrastructure 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. Our state is so beautiful and it has so many diverse and versatile locations for productions to showcase. When shown on screen, our scenic glamor adds invaluable marketing power to our travel and tourism initiatives. Let our state be a template to locals across the nation.

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 HB270.

Respectfully submitted,

Towanda Underdue
National Board Member, Washington-Mid Atlantic Local
SAG-AFTRA