

January 27, 2025

Maryland Senate Bill 324 (Admissions and Amusement Tax – Food and Beverage)
Before the Senate Budget and Taxation Committee
Position: Oppose

On behalf of AMC Theatres, the largest theatrical exhibitor in the State of Maryland and the United States, we respectfully request that you oppose SB 324.

One of the most harmful elements of admission taxes is that they deter moviegoers, leading to a decline in attendance. As prices increase due to these taxes, consumers become more hesitant to visit movie theaters, especially with there being so many other alternative entertainment options such as streaming services, which are readily available. A decline in attendance not only impacts the revenue of movie exhibitors but also impacts the overall cinema experience by diminishing the cultural significance of moviegoing.

Families with lower incomes already face tight budget constraints and admission taxes further strain their financial stability. For many, these taxes may mean the difference between participating in community events, family outings or cultural experiences such as seeing a film. This not only limits the quality of life for these families but also reinforces socioeconomic disparities.

Introducing additional financial burdens through admission taxes also limits the resources available for theatres to make investment in modern technologies, facility upgrades and the creation of immersive and innovative cinematic experiences.

The convergence of multiple issues—strikes, pandemic recovery, and industry-wide uncertainty—has created a perfect storm that threatens to undermine the financial progress theaters have made post-pandemic. Our industry remains under significant pressure, which has led Regal, the 2nd largest global movie theater chain to file for chapter 11 bankruptcy and we have seen Pacific Arclight and New Vision liquidated in bankruptcy. As we economically recover as an industry it is important for us to keep the guest experience as affordable as possible. Passage of this legislation will add an additional obstacle to the recovery of the industry and possibly result in the closure of more theaters.

In conclusion, admission taxes have a detrimental impact on movie theaters. These taxes impose financial strain, discourage moviegoers and hinder the industry's ability to adapt and thrive. As we navigate the evolving landscape of entertainment, it is crucial to consider policies that support and sustain the growth of movie exhibitors, fostering an environment where the cinematic experience can flourish.

Sincerely,

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On behalf of AMC Theatres
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