

SB0440_RichardKaplowitz_FAV

02/11/2026

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TESTIMONY ON SB#/0440- POSITION: FAVORABLE

Income Tax - Theatrical Production Tax Credit - Sunset Extension

TO: Chair Guzzone, Vice Chair Rosapepe, and members of the Budget & Taxation Committee

FROM: Richard Keith Kaplowitz

My name is Richard Keith Kaplowitz. I am a resident of District 3, Frederick County. I am submitting this testimony in support of SB#/0440, Income Tax - Theatrical Production Tax Credit - Sunset Extension

The cutbacks to the arts by the Federal Administration have been devastating to the arts community. The American Theater organization has called it the *Unkindest Cuts: How Theatres Are Managing the Loss of NEA Funds - While some companies can quickly plug the holes in their budgets for now, the ripple effects of across-the-board cutbacks to federal arts funding may be long-lasting and felt by the most vulnerable.*¹

As has been widely reported, [on Friday night, May 2, \[2025\]](#) the majority of organizations with current direct NEA grants were told via an email from a generic arts.gov address that those grants were being terminated, effective May 31. Similarly, the majority of those organizations that had received funding recommendations, but not yet their official awards, were told those recommendations were being withdrawn. A smattering of similar emails have gone out since May 2.

... If you look at NEA theatre and musical theatre awards for the 2025 fiscal year solely (grants that were expected to begin this fiscal year, not including grants that began in prior years but continued into this year), they total just \$4.63 million.

... Mind you, \$4.63 million isn't the entire financial impact of the NEA on theatre. There are also dance, music, and multi-disciplinary programs that aren't technically categorized as "theatre" that many might consider theatre. More importantly, the NEA funds state and local government entities, as well as federally recognized tribes, that then fund theatre and theatre artists. Indeed, 40 percent of all NEA grantmaking funds go directly to state arts agencies and regional arts organizations. ... So the total number that was expected to go to theatres, theatre programs, and theatre artists from the NEA was higher than that \$4.63 million number.

Maryland can express its support of the arts by passing this bill extending the termination date to June 30, 2032, for credit against the State income tax for certain costs related to certain theatrical productions in the State; etc.

I respectfully urge this committee to return a favorable report on SB#/0440.

¹ <https://www.americantheatre.org/2025/05/19/unkindest-cuts-how-theatres-are-managing-the-loss-of-nea-funds/>