



## SB1154

- **SB1154** adds consideration of Maryland employees hired in the application for a film production entity, lowers the amount of qualified spend to \$250,000, adds a \$10M per project cap, offers a certain percent of available tax credits to small film entities, and provides tax credit amounts for FY19-\$15M, FY20-\$20M FY21-\$21M and FY22-\$30M.
- The Maryland Film Production Activity Tax Credit is an incentive program which was established to attract film and television productions to Maryland, create jobs for Marylanders, stimulate business activity in the State and provide strong economic impacts.
- This incentive program is administered as a refundable tax credit, which is a rebate paid to a qualifying production based on the amount of qualified Maryland expenditures and is claimed by filing a tax return.
- **NO UPFRONT FUNDING** is needed under this tax credit program.
- The rebate is given only *after* production is finished, money is spent, qualified spending is approved and tax return is filed. This is the most transparent tax credit in the State.
- According to the Maryland Department of Commerce, since the Maryland Film Production Activity Credit took effect twelve productions (each season of a series is considered a separate production):
  - Hired an average of 1,280 Marylanders
  - Did business with an average 1,328 Maryland vendors
  - Created a projected total economic impact of **\$775 Million Dollars**
- Jobs are high-paying career positions, and for the most part come with health and pension benefits.
- Enables workforce development - providing tremendous opportunity for graduating Maryland students to enter the workforce.
- These are jobs and dollars that, but for the tax credit, would not have come to Maryland.
- According to the February 10, 2014 study prepared by the Regional Economics Studies Institute (RESI):
  - For every reported \$1 claimed in film tax credits, Maryland gains \$1.03 in total additional property, sales, income, and other tax revenues.
  - Additional output Maryland receives from every \$1 claimed under the current program is \$3.69.

**Stability and predictability in the program is critical** to ensuring a solid business climate – one that assures continued investment by the film business in our state.