



NEW YORK STATE SENATOR

Jose M. Serrano

Senator Serrano Fights for Post-Production Tax Credit Program

JOSÉ M. SERRANO March 9, 2010

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(Albany, NY)- Senator Jose M. Serrano was joined by Senate President Pro-Tempore Malcolm A. Smith, the Motion Picture Editors Guild (MPEG), and actor Richard Masur from Law & Order to announce his support for a competitive post-production film tax credit program. He also discussed legislation he sponsored that would make such a program a reality. The tax credits would be available to all film production companies who produce and / or edit films in New York State. The program would incentivize film makers to shoot and do post

production work in New York which could create approximately 1,500 jobs, generating over \$100 million in revenue.

Currently, film makers in New York are eligible for a tax credit of 30% of qualified expenditures (including post production), with the requirement that 75% of the production be done in New York State (excluding post production). The proposed tax credit program consists of two parts, a proposal put forth by Governor Paterson and legislation (S4943) sponsored by Senator Serrano (D- Manhattan/Bronx).

Senator Serrano's bill would create permanent jobs for post production film makers by encouraging companies to finish their project in New York State. Senator Serrano's legislation and the Governor's proposed plan would increase the number of projects finishing in New York to an estimated 75 additional projects per year, creating more than 1,500 crew jobs, providing 150 college internships and improving capital investments.

"The current film tax-credit program has a proven record of keeping living wage jobs with benefits in the state," said Serrano. "The bill I introduced extends this concept to include post-production, which will enrich the lives of many New Yorkers by creating hundreds of jobs, but would also provide educational and professional development opportunities for CUNY and SUNY students. During tough fiscal times, New York should embrace all viable opportunities for economic activity, and, as a cultural center, there is no better way to do so than by supporting the arts."

Senator Serrano's legislation would:

- * Allow film makers who are only doing post production work in New York State to be eligible for 10% tax credit

- * Require that 75% of the post production work be done in New York

- * Offer an internship program for students of SUNY, CUNY to do post production work in New York

- * Allow partial tuition reimbursement for students taking part in the internship program

Governor Paterson's tax credit proposal would:

- * Allow film makers to be eligible for a 30% tax credit on qualified expenditures, including post production costs

- * Require that 75% of qualified expenditures be incurred within the State

- * Require that 10% of shooting days be in a qualified New York State studio

Currently, no other state possesses a post production tax credit and no incentives for producers who shoot their films outside of New York State to edit in New York State. This gives New York a tremendous advantage in having a significant post production industry and leading the development of post production work.

"Incentivizing film makers to produce their films in New York State will create permanent jobs and grow the film making industry in New York," Senate President Pro Tempore Malcolm A. Smith said. "This is an opportunity to generate much needed revenue while opening doors for young aspiring film makers from around the State."

"The production tax credit will be a boon to New York City -- the East Coast center of the film industry -- and it will serve as an effective mechanism to jumpstart our economy at a time when a boost is urgently needed," said Senator Carl Kruger (D-Brooklyn), Chair of the Finance Committee.

State Senator George Onorato, whose Queens Senate district contains both Silvercup and Kaufman-Astoria studios, said, "We took an important step forward in promoting our film

and television industry when New York State enacted its well-received tax credit program several years ago, which was then combined with a New York City film production credit. Enacting a

post-production tax credit initiative, which will encourage many producers to take advantage of New York's top-flight talent, will be a tremendous boost for our economy and put us at the top of the list as the place to go for the best and the brightest work in this unique industry."

"The film industry brings in an estimated \$5 billion into New York City's economy and employs over 100,000 people. Every effort should be made, during this fiscal crisis, to promote the growth of an industry that is such a vital part of our local economy," said Senator Diane J. Savino (D- Staten Island).

"Historically New York has been a leader in the film industry. The state needs to keep itself competitive in the film industry from casting through to post production," said Senator Martin Malavé Dilan (D-Brooklyn). "Bolstering post production in the state will help bring new jobs to New York and provide for unequaled work experience for aspiring students of the art."

"I am pleased to support the creation of additional tax credits that will incentivize film production," said Senator Brian X. Foley (D – Blue Point). "By expanding the film industry here, we will bring much needed jobs to New York State and increase opportunities for our men and women looking to put their talents to work."

Paul Moore, Assistant Executive Director of Motion Picture Editor's Guild said, "By implementing a Film and Television Post Production Tax Credit, New York State is uniquely

positioned to create thousands of new jobs and set free hundreds of millions of dollars in economic activity. To be certain, New York State has a robust film and television post production industry. Unfortunately we are undervaluing this segment of the film industry's capacity to do more. More jobs, more infrastructure and more opportunities. Along with my colleagues from the Post Production facilities, we have the capacity and talent to take on more projects. Additionally, we are prepared to work with SUNY and CUNY film programs to help further diversify the post production community."

Jennifer Freed, President of Trevena Post said, "Trevena Post has over 20 years experience as an accounting firm for film and television post production facilities in New York State. Based on our many years of negotiating terms for film financing, terms that impact producers' decisions regarding where to post, Trevena Post projects that if New York State were to adopt a \$7 million dollar post production tax incentive, the return on investment will be thousands of new jobs and over a hundred million dollars in economic activity."

Clark Henderson, VP Client Relations at Technicolor said, "New York State has a strong post production community. We are not recreating the wheel here. What this policy initiative is acknowledging is that film, as the second largest domestic export, presents New York with tremendous opportunity as the State possesses the post production capacity and award winning talent to do more post production work right here in the Empire State. I can tell you that from the Technicolor perspective, and Technicolor is an international company, we would love to do more work in New York. This tax credit will allow our facility to expand employment by 50 new positions in the post production industry."