

Testimony of the Writers Guild of America, East, AFL-CIO

Re: Tax Expenditure and Programmatic Language in Governor's Proposed Budget

To: Ways and Means Committee, New York State Assembly

Hon. Herman Farrell, Chair

And

Finance Committee, New York State Senate

Hon. Carl Kruger and Hon. Elizabeth Krueger, Co-Chairs

The Writers Guild of America, East, AFL-CIO (the "WGAE") represents thousands of writers all over the state of New York – people who write films, television dramas and sitcoms, comedy/variety shows, news for television and radio, and programs for the internet. Our members are part of the creative infrastructure that makes New York so attractive to its residents and to visitors from around the world.

The media business is one of the most important engines powering the state economy. Tens of thousands of New Yorkers work in film and television, working hard to make a living, paying taxes, sending their children to school. This includes the people who write the screenplays and scripts. A handful make big money, but almost all of our members live from project to project, hoping to earn enough to cover health benefits for themselves and their families.

The WGAE strongly supports the production tax provisions in Part V of the Governor's proposed budget bill A 9710 and S 6610. We think it is vital to our state's future to encourage studios and producers to make films and shows in New York. The evidence is clear that the production tax credit not only creates jobs for thousands of people, but generates a meaningful net increase in tax revenue. And it keeps New York on the cultural map.

There is one shortcoming in the current credit, however. Unlike similar credits in competitive states like Michigan and Connecticut, the New York credit provides exactly zero incentive to use New

York writers. As a result, most of the great New York-centric shows that are filmed on the streets of New York City and in the beautiful countryside and towns upstate are written somewhere else. We think this should be changed and we urge passage of a bill that would include payments for writing services, to a limited extent. It has been introduced by Assemblyman Englebright as A 8144 and by Senator Schneiderman as S 6101.

A key provision of the bill would encourage diversity behind the camera. To be eligible for the credit, if a show employs more than three writers at least one must be a woman or a person of color. We think it is essential to bring a broader, more diverse perspective to the screen, large and small. It is difficult to get a job writing for television or film; including this diversity requirement in the proposed tax credit should open a lot of doors.

More broadly, expanding the tax credit to include writing services can help stem the flow of writing jobs out of the state. To get work in the first place, scores of New Yorkers have to move west. Even established television and film writers find that, to maintain their careers, they have to leave New York. Playwrights and others who have the talent to succeed find they have to move west to get work. The state of New York and the City of New York lose all of the income tax revenue on the amounts paid to these writers.

This process creates a downward spiral. In any industry, employers tend to locate where they can find qualified employees. For example, an information technology company will look for an area with an abundance of trained, experience computer people. A studio will locate a film shoot where there are enough skilled camera operators. If talented writers flee New York because they cannot find work, then producers will become even less likely to look here for writers, to set up television writers rooms in the state. In economics, this is called "capacity". Unless New York does something to bring writing work back, our capacity will shrink to the point that major productions simply cannot find enough talented writers.

True, there will always be a small handful of superstars who will get work no matter where they live. We are concerned about the middle-class writers, the people who are likely to be selected for writers rooms, who contribute ideas and who write a half dozen or so scripts a year. These people can earn a decent living at their craft (paying New York taxes on all of it) even though they don't become wealthy. Some of them live in Manhattan, many live in Brooklyn and the other boroughs, and a large number live outside the city – on Long Island, in Buffalo, in Westchester, Ulster, and Orange Counties, and elsewhere in the state.

Helping New Yorkers earn a living writing scripts strengthens our cultural infrastructure. People who write for television and film often write for the theater, as well. They write novels and nonfiction books. And they often become producers and showrunners who influence what projects get made, and where. In the long run, helping New York writers will help New York camerapeople and grips and sound technicians, too.