



**TESTIMONY ON BEHALF OF  
NEW YORK'S FILM AND TELEVISION PRODUCTION LABOR COALITION  
PRESENTED BY  
THOMAS J. O'DONNELL  
PRESIDENT OF THEATRICAL TEAMSTERS LOCAL 817**

**TO THE SENATE COMMITTEE ON FINANCE,  
THE SENATE COMMITTEE ON COMMERCE, ECONOMIC DEVELOPMENT AND  
SMALL BUSINESS, AND  
THE SENATE COMMITTEE ON INVESTIGATIONS AND GOVERNMENTAL  
OPERATIONS**

**JANUARY 14, 2022**

Good morning Chairs Krueger, Kaplan, and Skoufis, and distinguished committee members. My name is Tom O'Donnell, and I am the President of Theatrical Teamsters Local 817. In addition to Local 817, I also present this testimony on behalf of the film production labor community, which represents the vast majority of workers in the highly unionized field of film and television production. Thank you for the opportunity to provide this testimony to describe the efficacy of the Empire State Film Production tax credit, and for your long-term support of workers in this industry.

We unions state unequivocally that the tax credit represents an unparalleled success for New York. It continues to be a massive boon for economic growth and employment, and the state coffers see a positive return on investment. A number of recent studies have illustrated the success of the program, including an independent HR&A study commissioned by the unions in 2018. This study calculated that, in 2017, the tax credit spurred \$6.7 billion in economic activity, was responsible for 48,300 direct and indirect jobs that collectively earned \$4.3 billion in income, with the spending leading to \$780 million in tax revenues to the state and localities for a 1.18 return on investment. More recently, the unionized film production employers calculated a total of 94 thousand jobs over a two-year period in 2020-21.

To be clear, these numbers reflect an economic ecosystem. In addition to production itself, this economic activity includes tangential industries, including small and mid-sized business that all benefit from film and television, ranging from lumber and steel for sets and construction, to practical needs like catering, dry cleaning, and hotels just to name a few.

The 2018 HR&A study used intentionally conservative guidelines in calculating the benefits of the incentive; likewise the metrics I just provided are best understood as the minimum floor in quantifying the program's true benefits. For example, both HR&A and the employer statistics do not factor in the smaller, non-qualified independent and nonunion productions which also contribute to the ecosystem of production. And these metrics don't include many ancillary contributions to the state economy, such as film-induced tourism or nonqualified capital investments. In addition, it is also important to note that the incentive has since gone through a recent recalibration, including reducing the rebate from 30% to 25% among other adjustments. Factoring in the uncalculated benefits and reduced rebate percentage, the state's present return on investment is undoubtedly higher.

I also want to emphasize the extraordinary growth in production employment, which has led to an exponential increase in high paying jobs that come with high quality union pension and health benefits. Included in my written remarks is a table including three inflection points in the history of the tax credit (the inception of the credit in 2004, an expansion in 2009, and present day) and a description of each union's reported metrics at each inflection point. For example, the number of New York jobs worked by Local 817 members tripled between 2004 and 2021, the annual wages and benefit contributions of our New York-based members have increased sixfold.

We provide this data as an illustration of how much growth this industry has experienced since the incentive initiated in 2004. The evidence of how successful this public-private program has been cannot be made more clear. New York has smartly incentivized production companies to site here just as the global demand for new content skyrocketed. However, we must always keep in mind that with the public's increasing desire for more content, there is a growing number of jurisdictions seeking to capitalize on this industry by creating their own competing programs and production hubs. More than 30 other states, as well as a number of countries, have their own competing

incentive programs that hope to lure these jobs away from our members and economic benefits away from our communities. This national and international fight for production is stiff, but we believe New York has calibrated its program well.

In summation, New York is a world hub for film production, with thousands of high paying union jobs and billions of dollars in related economic activity. We were one of the first industries to safely resume in-person work after the COVID-19 shutdowns, and we now have over 50 episodic productions filming across the state. This translates into essentially full employment, with even more opportunities around the corner. In addition to the other economic benefits of the incentive, the expansion of production creates new avenues to advance the growing diversification of our industry. Each year of continued growth, this highly unionized industry more accurately reflects the state's demographics and will continue to do so. For all of this, it is the Empire State Film Production tax credit that has made the difference.

I thank you for your time and consideration, and I look forward to answering any questions the panel may have.

## Appendix

Union	Metrics	2004	2009	2021
 <p><b>Theatrical Teamsters Local 817</b></p>	<p>Jobs</p> <p>Wages</p> <p>Benefit Contributions</p>	<p>884</p> <p>\$51m</p> <p>\$15m</p>	<p>1,316</p> <p>\$114m</p> <p>\$34m</p>	<p>2,607</p> <p>\$300m</p> <p>\$90m</p>
 <p><b>IATSE Local 52 Motion Picture Studio Mechanics</b></p>	<p>Members</p> <p>Wages</p> <p>Hours Worked</p>	<p>3,176</p> <p>\$98m</p> <p>2.4m</p>	<p>3,459</p> <p>\$210m</p> <p>\$4.3m</p>	<p>4,576</p> <p>\$521m</p> <p>\$6.9m (Q3)</p>
 <p><b>IATSE Local 600 International Cinematographers Guild</b></p>	<p>NY Metro-Area Membership</p>	<p>607</p>	<p>779</p>	<p>1,427</p>
 <p><b>United Scenic Artists Local USA 829 IATSE</b></p>	<p>Net Earnings</p> <p>Net Membership Change</p>	<p>\$11.3m</p> <p>-87</p>	<p>\$78.9m</p> <p>+91</p>	<p>\$210.9m (Q3)</p> <p>+195 (2,555 total)</p>
 <p><b>SAG-AFTRA. Screen Actors Guild – American Federation of Television and Radio Artists</b></p>	<p>Active Members</p> <p>Jobs</p> <p>Earnings</p>	<p>22.8K</p> <p>75.2K</p> <p>\$227.6m</p>	<p>29K</p> <p>114.2K</p> <p>\$269.3m</p>	<p>37.9K</p> <p>162.8K</p> <p>\$431.3m (YTD)</p>
 <p><b>Directors Guild of America</b></p>	<p>Net Working Members</p> <p>Number of Projects Shot in NY (Dramatic TV and High Budget New Media)</p>	<p>1,444</p> <p>11 (2005)</p>	<p>1,511</p> <p>29</p>	<p>2,028 (2021)</p> <p>76 (2019)* *2021 data TBD, 2020 data not reflective of industry growth</p>