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Lawmakers urged to keep film industry tax credits

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Lured by Connecticut's offer of tax credits to the film and video industry, Gary Cohen decided to move his production company across state lines from Harlem to Stamford.

"I can go to work here today, have a production meeting and edit a show and hop on a train and pitch to MTV this afternoon," said Cohen, the president of Triple Threat Television, which specializes in nonfiction television productions.

"You can't do that in all these other states that have production tax credits," Cohen said. "I can't do that in Louisiana. I can't do that in Michigan. The buyers are in New York."

Cohen and hundreds of others involved in the state's growing film, video and digital media industry, appeared at the state Capitol Monday, urging lawmakers to reject Gov. M. Jodi Rell's proposal to limit tax credits to their industry.

The state already has approved \$114 million worth of tax credits for projects in various stages of development, but not all of that money has been released. Rell wants to cap the credits at \$30 million a year.

Everyone from independent filmmakers to makeup artists told legislators that it would be a mistake to pare the credits just as the industry is building a work force and creating new facilities.

"If they pass this legislation then everything I've been working on has been undone. It's sad," said Cohen, who moved his company to the state in November. "I'll move back to New York."

Robert Genuario, Rell's budget director, said the proposed \$30 million annual cap on credits is still generous, especially at a time when Connecticut faces a deficit over the next two fiscal years, projected to be as high as \$8.7 billion.

"There is a limit to how much of any one industry we can subsidize in any given year," Genuario told lawmakers.

Connecticut Voices of Children, an advocacy organization, has raised concerns about the tax credit program, claiming it provides a modest return on investment. The group has questioned whether it's the best investment of Connecticut's resources, suggesting the economy would benefit more from additional investment in nanotechnology, biotechnology, green energy and other industries.

A recent report from the legislature's Office of Fiscal Analysis determined that \$115 million in tax revenue will be lost this fiscal year because of the film production tax credit, the digital animation credit and the motion picture infrastructure credit.

Kevin Segalla is president of the Connecticut Film Center in Stamford, which encourages the motion picture industry to come to the state and then provides moviemakers with everything from deals at hotels to assistance with the tax credits. He said the state has lured \$600 million worth of business to Connecticut since it began offering the credits in 2006. Another \$1.5 billion has been spent on hotel rooms, security, catering and other peripherals, he said.

Segalla noted that because of the credit there are plans to build sound stages and digital production facilities in Connecticut.

"It just means that less productions will be able to come into the state and it means that we won't be able to grow the industry like we've been able to grow it," he said. "Nobody wants to build infrastructure if we don't have productions coming in to use that infrastructure."

Howard Enquist of Seymour started his company "Cars on Location" in 1989, providing police cruisers, taxis, ambulances and other vehicles to the film industry. He said the tax credit program has helped his business because he no longer has to truck his cars to New York for jobs. He can now rent vehicles to films and TV productions being filmed in Connecticut, saving money on transportation costs.

Enquist had plans to expand his rentals of production motor homes, used as dressing rooms for stars. He also wanted to offer other services, such as food and parking security.

But that's all on hold, for now.

"You can't do it if you don't have an income," he said. "And if we don't have this tax credit, then there's no income."