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**Contact: Patrick McGloin  
(860) 841-3921**

## **The Big Picture: Recently Released Film, TV and Digital Media Industry Data Incomplete and Inaccurate**

### **Industry leaders highlight ongoing efforts to improve efficiency of state's incentive program**

**Hartford, CT, June 19, 2009** – The Connecticut Production Coalition (CPC) today highlighted deficiencies in recent reports which inaccurately assess the status of Connecticut's film, television and digital media industry. The program, three years young, shows steady increases in driving economic activity as producers become more confident in its strength and certainty.

A number of major shortcomings exist in the data which has served as the basis of opponents' criticisms of the state's tax credit incentive program. The data, an unfinished compilation of industry numbers from the Connecticut Film Office, contained several significant inaccuracies, including:

- Exclusion of more than \$125 million in Connecticut wages paid to production crews in the state, all subject to Connecticut income tax.
- Failure to identify any Connecticut expenditures for entire productions, eliminating tens of millions of dollars of valid in-state spending.
- Underreporting of payments made by in-state productions to Connecticut goods and service providers.

“Our production had a full-time staff of 12 people who went to work in Westport every day,” said Gary Cohen, Owner and President, Triple Threat TV. “We shot in Connecticut, prepped in Connecticut and edited in Connecticut for nine months straight. The draft compilation says our production received a tax credit without spending a single dollar in state. Nothing could be further from the truth.”

The incomplete data also does not account for the considerable success that the film, television and digital media industry has brought to our state in just a few short years. Since 2006:

- Due to production, over \$1.5 billion in new economic activity has been generated in the state despite the challenging economy.
- Direct spending in the state on film, television and digital media has increased from \$700,000 to more than \$600 million with an additional \$75 million in new production infrastructure spending over the past two years.
- Over 4,000 Connecticut jobs have been created by businesses and productions working in the state.

- Training programs have been established at Middlesex Community College, Quinnipiac University and Norwalk Community College to meet growing workforce demands.

Over the past six months, CPC and the entertainment industry have been working with legislators and the Governor’s office to ensure Connecticut preserves and builds on the economic gains created by this still-developing program. Specifically, CPC has proposed that, starting on January 1, 2010, only expenditures made in Connecticut will be eligible to receive tax credits. This major change will ensure that no credits are earned for expenditures made outside the state. It will substantially increase the program’s efficiency as well as its positive impact on Connecticut businesses.

CPC has also reiterated its call for an ongoing comprehensive study to be conducted to establish a solid understanding of the industry’s significant impact in the state.

“We are committed to working with lawmakers and other stakeholders to ensure that the incentive program is efficient and effective,” said Kevin Segalla, President of the Connecticut Film Center and one of the founders of CPC. “CPC recognizes that there are tough budget decisions in front of the legislature and the Governor, but we are also confident that the continued success of our industry will only serve to help the state’s budget by supporting strong economic growth.”

CPC reviewed the draft compilation of numbers from the Connecticut Film Office (attached) and added the following highlights:

- **Blue** – Represents productions in the state that spent tens of millions of dollars yet those expenditures are completely unaccounted for in the document.
- **Yellow** – CPC examined a sample of five expense categories and found substantial inaccuracies in more than 40% of all cases.
- **Purple** – CPC added a column detailing examples of Connecticut wages paid to employees of productions, totaling nearly \$127 million -- wages that are subject to Connecticut income tax.

### ***About The Connecticut Production Coalition***

The Connecticut Production Coalition (CPC) is an independent private sector coalition of companies and individuals who care about establishing and growing a strong and robust film, television and digital media sector in Connecticut. CPC was founded by Howard Baldwin, Baldwin Entertainment Group; Karen Baldwin, Baldwin Entertainment Group; Chris Campbell, Palace Digital Studios; Tom Carruthers, Connecticut Film Festival; Ephraim Cohen, The Fortex Group; Brandon Curiel, Venan Entertainment, Inc.; Donna Elkinson, Elkinson + Sloves, Inc.; A. Searle Field, United Studios of America; Andrew Gernhard, Synetic Cinema Intl.; Bruce Heller, Connecticut, Film Center; Mike Kuhar, VisualEFX; John Lanza, Kostin, Ruffkess & Co, LLC; Fred Litty, Sonalysts Media Group; Al Maiorano, Televersemedia; Mark Osora, Sheptoff, Reuber & Co, P.C.; Kevin Segalla, Connecticut Film Center; Jeff Taylor, Elements Post; Neal Thomassen, Angel Eyes Productions, llc.; and Ron Wishna, RM Studios, LLC. To learn more or to join the Connecticut Production Coalition, please visit <http://www.productionct.com>.

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