



HB 2244 Expansion and extension of the film and video labor rebate

Testimony for House Committee on Economic Development and Trade – Jody Wisner – 2.15.2017

The purpose of Oregon's two film and video subsidies is to bring this industry to our state, to create jobs and support our creative workforce. You have been told repeatedly over years that without expansions of the program, production will not happen in Oregon.

This requested expansion, asking everyday Oregonians to help pay the expenses of the folks filming Eugene's big sporting event makes absolutely no sense. The event will be covered, extensively. And there is no other place the filming can be done. The event is happening here. Therefore, the bill definitely needs the -1 amendment. To extend the labor rebate to film and video activities that absolutely can happen no place else flies in the face of all logic.

However, we question whether this subsidy is the best use of Oregon's precious resources. Essentially, by extending the labor rebate, you are continuing to return to the business owner the income taxes of his employees. The program returns 6.2% of labor costs, which is pretty close to the average income tax paid by Oregonians. Do you believe that an actress, a stunt man or a lighting technician who works on a film in Oregon shouldn't pay taxes? Or actually, they should pay their taxes to their boss, rather than supporting the education of their kids, or their own public safety, and the services of this state.

We believe that despite the exceptional ability of this industry to tell a good story – that is their business – this subsidy should be allowed to sunset and it's \$900,000 or greater cost should instead be used to retain the ten or more teachers or DOR auditors or foster care workers who are performing the core functions of the state.

The fact that the primary subsidy of this industry, the Film and Video Tax Credit has increased from \$1 m a year in 2005 or \$14 million a year today is enough. It's time to end the labor rebate.