



HB 3329 - We oppose a 40% increase in film industry tax credits

House Revenue Committee – Jody Wiser – 3.25.2025

Tax Fairness Oregon understands that the film industry forces states to compete with subsidies. The question for the legislature is how we do it and for how much?

Just in 2021 there was an increase from \$32 to \$40 million.

The request today is for an additional 40% increase, changing it from \$40 million a biennium to \$56 million a biennium. A jump from \$32 to \$56 million in five years is not appropriate. Were we funding BOLI with these kinds of increases there would no longer be businesses in this industry not meeting their financial obligations to their employees.

This bill raises another basic question:

Why do we continue to issue film tax credits for sale with up to a 10% discount? That means the cost to the GF is greater than the funds going to the industry. The Department of Revenue begins these tax credit auctions with bidding at 90% of the credit value.

The 120 or so bidders are saving an average of \$16,000 each per year by buying tax credits to pay their taxes. Why do we fund programs like this? This is government inefficiency. This bill asks you to give tax credit purchasers as much as \$5.6 million and the industry \$50.4 million. This mechanism is throwing money away. At least convert this to a budget ask rather than a tax credit.

Obviously, you will prioritize the asks before your committee and decide what to send forward. If you find that you want to recommend that the legislature increase subsidies for this specific industry, then please change the funding to grants, not tax credits. They make the claim, but industry doesn't need any more certainty than a government agency.