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Pennsylvania needs film tax credit

Pittsburgh Business Times - by [Jim Roddey](#)

As a category, tax credits at all levels of government deserve close scrutiny. In some instances, tax credits are, in reality, "tax giveaways" and deserve to be eliminated. That is not true, however, in the case of the Pennsylvania Film Tax Credit program.

It has been impressive to see the progression of the film industry in Pennsylvania since the program's 2007 inception. The industry's growth in Pennsylvania has been extremely positive for small businesses, taxpayers and local employees of the industry.

Recently, it was announced the CBS pilot "Three Rivers" will be shooting in Pittsburgh. The executive-producer, Curtis Hanson, directed "Wonder Boys," a movie filmed in Pittsburgh in 2000. It is important to note that the last two pilots shot in Pittsburgh, "The Guardian" and "Smith," were both picked up as fall series. The economic impact of a series cannot be underestimated. For instance, Pittsburgh's first full-time series, the 2007 Spike TV drama "The Kill Point," employed 250 full-time people, 80 percent of them locals. During a two-week shoot in Market Square, an additional 300 extras were on the payroll and producers spent \$18 million of the \$23 million budget locally.

Before the tax credit program was implemented, southwestern Pennsylvania averaged two projects per year. According to the Pittsburgh Film Office, in 2008 alone, the region benefited from 12 productions.

Opponents of the tax credit often refer to numbers that suggest a lack of return on investment. The numbers cited fail to calculate the entire picture. According to a film office audit of the 12 productions shot in southwestern Pennsylvania in 2008, for every dollar invested by the state through the film tax credit program, \$1.93 was returned to the state's economy. These numbers include catering, lumber and supplies, flowers, local staff salaries, labor, rentals, wardrobe, municipal permits/fees, car rentals, and hotel rooms.

It is essential that Pennsylvania maintain the film tax credit program to remain competitive. Thirty-six states have established film tax credit programs. Recently, California approved a 5-year, \$500 million tax credit for film and television productions as part of the state budget. This considerable investment occurred at a time when the state has a \$42 billion budget deficit. It is another clear indication of the positive impact film tax credits have on a local economy.

The Pennsylvania General Assembly has to make tough decisions to balance the current \$2.3 billion budget deficit. I caution our leaders against reducing or eliminating programs that are positive for the economy. The Film Tax Credit program is a solid investment for Pennsylvania taxpayers and the General Assembly should continue supporting this proven economic generator.

Jim Roddey is chairman of the Allegheny County Republican Committee and the former chief executive of Allegheny County. He also is a senior consultant with McCrory & McDowell.

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