



MARYLAND STATE & D.C. AFL-CIO

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HB 432 – Income Tax – Film Production Activity Tax Credit – Alterations
House Ways and Means Committee
February 9, 2022

SUPPORT

Donna S. Edwards
President
Maryland State and DC AFL-CIO

Madam Chair and members of the Committee, thank you for the opportunity to provide testimony in support of HB 432 – Income Tax – Film Production Activity Tax Credit – Alterations. My name is Donna S. Edwards, and I am the President of the Maryland State and DC AFL-CIO. On behalf of the 340,000 union members in the state of Maryland, I offer the following comments.

Following the passage of the Maryland Film Employment Act of 2011, our State saw a dramatic increase in film activity which has led to growth in our economy, the employment of thousands of skilled workers, and an economic boon to thousands of small businesses in Maryland. According to the Maryland Department of Commerce, since 2012, direct, qualified spending related to Maryland film production has been used to patronize 14,311 businesses. This business tax credit is the most stringent one that Maryland offers, ensuring that the dollars we invest go toward creating good, family-sustaining careers for those employed in the film industry in our State. Not a single dollar of the credit is approved until a thorough audit has been completed.

However, In order for us to maintain our competitive edge, and to retain and expand a growing industry in Maryland, it is necessary to not only continue to provide the existing tax credits to film production projects in our State, but to increase them. HB 432 makes the film industry part of Maryland’s permanent economic engines by increasing the credit to \$25 million this year, and \$50 million for each year after – and the winners are small businesses, family-sustaining careers, and local and state economies. Increasing this tax credit is critical to ensuring a solid business climate – one that assures continued investment by the film industry in Maryland to create good jobs and grow our economy, and **for these reasons, we urge a favorable report on HB 432.**