



August 2, 2022

The Honorable Chris Holden
Chair, Assembly Appropriations Committee
1021 O Street, Suite 5650
Sacramento, CA 95814

The Honorable Frank Bigelow
Vice Chair, Assembly Appropriations
Committee
1021 O Street, Suite 4640
Sacramento, CA 95814

RE: SUPPORT for SB 485 (Portantino) - Film and Television Tax Credit Extension

Dear Chair Holden and Vice Chair Bigelow:

We write to express our support for SB 485 (Portantino), which extends the sunset date for the Film and Television Tax Credit 3.0 by five years.

Film and television production is vital to California's economy and the industry employs approximately 145,000 individuals statewide. The Film and Television Tax Credit Program was first enacted in 2009 to fight runaway production and grow film and television production-related employment and spending across the state. At the program's inception, 44 states, along with Puerto Rico and Washington D.C., offered incentives for film and television productions. While a variety of factors determine where production occurs, the availability of financial incentives play a critical role in many site selection decisions.

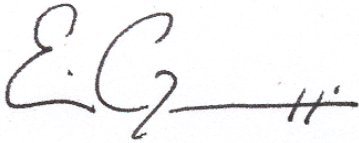
According to a recent analysis from the Los Angeles Economic Development Corporation, the second generation of the tax credit program dubbed Program 2.0, which was in effect from July 2015 – June 2020, generated a total of \$21.9 billion in economic output and \$961.5 million in state and local tax revenue over its five-year run. The findings show that for every tax credit dollar allocated, the state benefitted from at least \$24.40 in economic output, \$16.14 in gross domestic product (GDP), \$8.60 in wages and \$1.07 in state and local tax revenues.

The latest edition of California's Film and Television Tax Credit Program (Program 3.0) started in July 2020 to continue and expand upon Program 2.0's success. Despite launching during the COVID-19 pandemic, Program 3.0 is achieving its goals and delivers additional benefits to Californians from all walks of life. For example, the California Film Commission's Career Pathways Program, which is funded entirely by projects in the tax credit program, trains entry-level workers for a wide range of production-related jobs and is very effective at reducing the economic, geographic, and social barriers to career success.

SB 485 (Portantino) would extend Program 3.0 by an additional five years to 2030. This incentive program has a proven track record of creating hundreds of thousands of well-paying California jobs and injecting billions of dollars into the state's economy. At a time when most

states and an ever-growing list of foreign countries offer production tax credits, it is critical for California to maintain a competitive incentive program. We understand that some programmatic and structural changes are needed and will be undertaken next year. However, we strongly believe that a further five-year extension this year will accomplish two things. First, it will provide stability to the film and television industry, which often makes production decisions a year or more in advance. Second, it will ensure that through this decade our State will continue to reap the benefit of the billions in revenue this program provides, and the tens of thousands of jobs that come with it. In today's uncertain times a strong and proven program like this is needed.

Sincerely,



Eric Garcetti
Mayor
City of Los Angeles



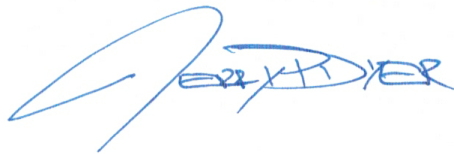
Todd Gloria
Mayor
City of San Diego



Sam Liccardo
Mayor
City of San José



London Breed
Mayor
City of San Francisco



Jerry Dyer
Mayor
City of Fresno



Darrell Steinberg
Mayor
City of Sacramento



Robert Garcia
Mayor
City of Long Beach



Libby Schaaf
Mayor
City of Oakland



Mayor Patricia Lock Dawson
City of Riverside

CC: The Honorable Anthony Portantino, 25th Senate District