800 SW Jackson St., Ste. 1100 Topeka, KS 66612 (785) 235-8187 office

March 15, 2023

House Taxation Committee

Support for Senate Bill 91: Kansas Film and Digital Media Production Development Act

Chairman Smith and Members of House Taxation Committee,

I am here today on behalf of Grow Kansas Film (GKF). Grow Kansas Film is a non-profit organized by small businesses, Kansas filmmakers, and educators, all local people.

GKF seeks this legislation as an economic development tool to support creative film, television, gaming, or other arts and to build a strong and lasting workforce in our State. We appeared before you on February 13th and provided testimony in support of House Bill 2182. We requested the introduction of both House Bill 2182 and Senate Bill 91. Both bills were identical when introduced.

We support Senate Bill 91 as amended by the committee and by the full Senate. The original bill included both transferable and refundable tax credits up to \$10 million for qualified projects. The Senate Committee removed the refundable tax credit from the bill. They retained the transferable tax credit and added a carry forward option for the tax credit for up to ten years. There were several other minor Senate Committee amendments.

Grow Kanas Film believes the Senate amendments preserve the key components that will allow Kansas to compete with other states, secure a wide variety of business and jobs, and invest in the education and workforce development.

We appreciate the thorough discussion during the February hearing on House Bill 2182. Some of the questions referenced the economic impacts of bringing in and developing domestic film and other media businesses. If the Committee works the bill, we have some language for your consideration to require the Department of Commerce to report on a broad range of economic measures four years and eight yours into the ten-year sunset to document the incentive. The reports over from several years can provide detailed project-specific information but also trends.

Currently the Missouri Senate has passed their \$16 million incentive bill. The Oklahoma Legislature is considering a bill to increase its \$30 million incentive to \$80 million. In 2022 Oklahoma turned away 80 percent of the projects that applied because

they exceed the cap. Those are projects and jobs looking for a state to encourage their work. Why not Kansas?

Stuart J. Little, Ph.D. Little Government Relations Stuartjlittle@mac.com 75-845-7265