

Testimony in Support of Senate Bill 91

Chair Erickson and members of the Committee,

My name is Melanie Addington and I am the Executive Director of the Tallgrass Film Association in Wichita, Kansas. The association is a 21-year-old non-profit organization that has been nationally recognized by numerous national film magazines, and actor and Sundance Film Festival founder Robert Redford. He testified to Congress on behalf of the National Endowment for the Arts saying: Local art-driven events like the Tallgrass Film Festival not only have a positive impact on Wichita's economy but also add to the quality of life in this city.

At its most basic level, Tallgrass Film Festival is a place to see films from independent filmmakers, or those outside the traditional Hollywood studio structure. We showcase films from around the world but also focus on Kansas filmmakers. But I am here today to speak not just for those independent filmmakers but on behalf of all storytellers on the importance of having the right to work in Kansas.

Kansas is synonymous with film and television history and legacy, not just from the *Wizard of Oz*. Storytellers such as Kansas natives Oscar Micheaux, Buster Keaton, and Gordon Parks paved the way for new ways of storytelling. Wichita native Hattie McDaniel was the first Black Oscar winner. Elle Schneider is an independent filmmaker who lived in Lawrence, KS for a while and is working on a documentary about Centron Corp, an Oscar-nominated film studio that was in Lawrence for forty years. And of course, *Superman* is from Smallville Kansas, and *Dennis the Menace* is from Wichita. And anyone who has watched the 15 seasons of *Supernatural* knows that while set in Kansas, they never once stepped foot in the state to film.

Today we have David Parks who moved back to make films in his father's home state. We have Sharon Liese, Oscar winner Kevin Willmott, Max Thomas, and many crew like him and we have up-and-coming students throughout Kansas with great storytelling sensibilities and a growing scene statewide of independent filmmakers.

Our local filmmakers are already here, already telling stories, but having incentives will mean steadier work leading to long-term economic growth. As Schneider said, "Arts go where artists can live. With housing crises in Los Angeles and New York, being a filmmaker with a stubbornly independent streak means turning to states with low cost-of-living." But they are moving to states where incentives and production are going. Let's turn Kansas into a place for artists to come home.

We have seen great stories on television and in theaters due to the rise of productions in states with incentives such as Montana. In the past couple of years, the state served as a pretend setting

for Scotland in *Robert the Bruce*, while also telling Montana stories such as *Yellowstone*. In the three seasons they filmed there, they brought in \$70 million or a little over \$20M per year.

We had screenwriter Ryan Redcorn at Tallgrass this year to talk about the success of filming in Oklahoma on the hit show *Reservation Dogs*, which is now in the running for numerous Independent Spirit Awards. That show is part of a larger impact. Oklahoma lawmakers are luring production studios and creating local jobs with a \$30 million rebate program to shoot in the state. \$240 million has been pumped into the state's economy in the last year and a half.

One of the shows, *Tulsa King*, was destined for Kansas City and the impact has been about \$23 million for season one with a renewal for another season. We have also recently lost *Fargo* season 4 in the Kansas City area, *Thank You For Your Service* - set in Kansas but filmed in Georgia (Dreamworks, Dir. Jason Hall); and *Somebody Somewhere* (HBO/Duplass Bros) set in Manhattan and with exteriors only filmed here. Bridgett Everett has provided testimony to the importance of film incentives in bringing shows like hers to the state. *Hide Your Eyes* (Alcon Ent) is set in Kansas and held off filming due to no incentives but may revisit if they pass. We have a crew base but many have to leave the state to work. Kansas is now only one of 13 states without incentives, leaving money on the table.

But film incentives are only one piece of the puzzle. They can help attract film productions to the state which more importantly brings economic benefits such as job creation ranging from hiring college students to be assistants to local caterers and construction crews. The non-Kansans brought to the state to work also support our local counties and cities and the overall Kansas economy by spending money on goods, services, hotels, and more.

But, tourism dollars are also on the line. I moved here from Mississippi where I helped filmmaker Tate Taylor and Mississippi Film Office reinstate film incentives. After losing much of their crew base to Louisiana and Georgia when incentives were ended, it took several years to rebuild the success of the oldest state film incentive program in the country.

One such film that shows the power of tourism dollars in Mississippi was *The Help*. Even today, the dollars pour into Greenwood for film tourism and have forever changed a Delta town with new high-end boutique hotels and fine dining. I for one never go out of state or out of the country without looking up some of my favorite films to see where they were filmed. I was deeply disappointed to learn the Donut World in Burns, Kansas in *Mars Attacks* was not still there. *Paper Moon* was filmed in Hays, McCracken, and Wilson, Kansas with many of the locations still there and with Wilson planning an anniversary screening and tour of locations this year.

Look at *Wizard of Oz*, never filmed here, but its deep ties and affiliation to Kansas, make it a stop for many. Many of our guests to Tallgrass over the years have rented cars to go see

Dorothy's House or the Oz Museum. Strataca in Hutchinson is home to the largest collection of film and television prints and makes it a point to highlight this as part of its tour. Film tourism can be the next piece of the puzzle. We have the crucial pieces all waiting to forge ahead and make a huge impact on all of Kansas.

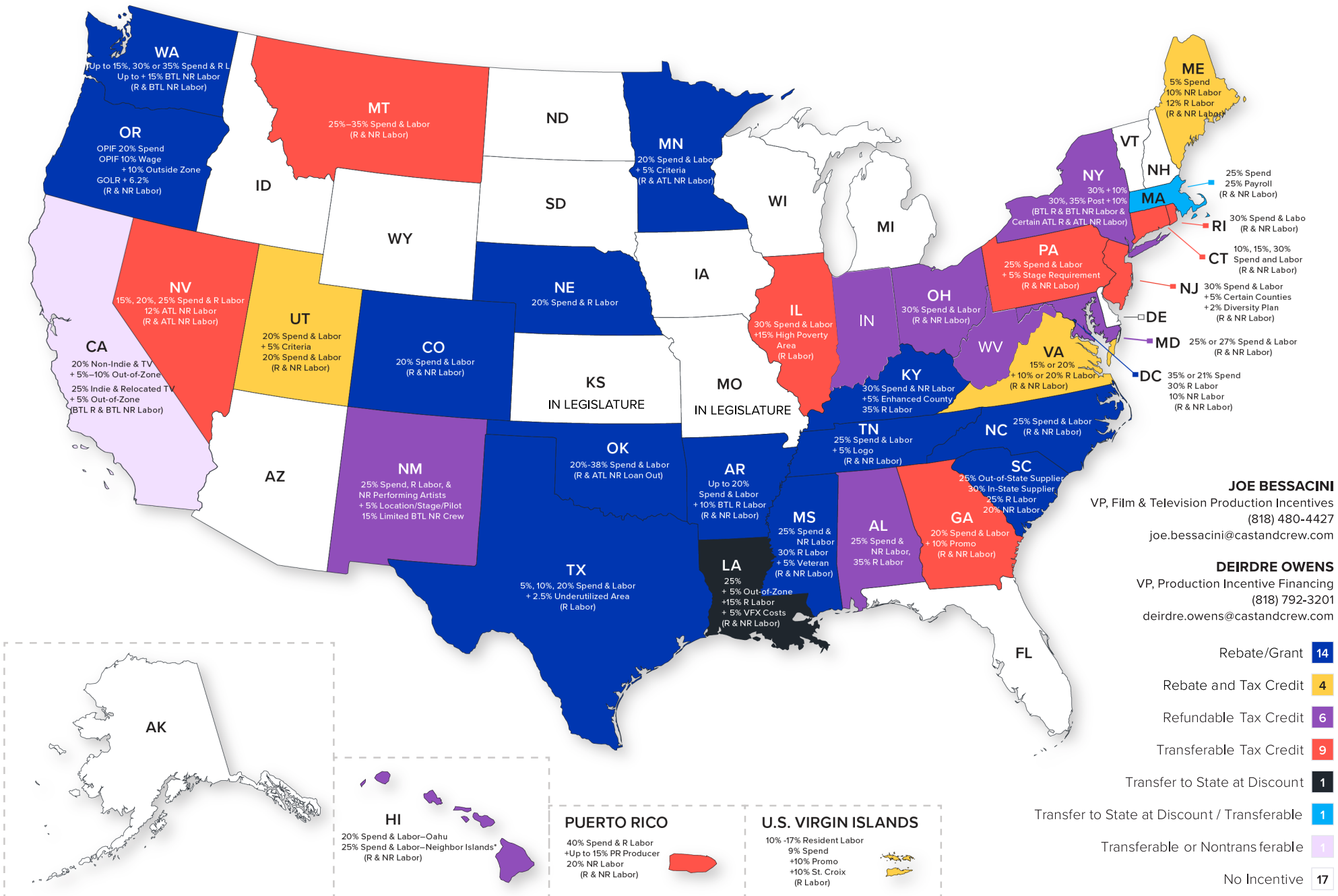
Please move SB 91 from this committee to the full senate and vote yes. This is an economic win for all of Kansas. Thank you.

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U.S. PRODUCTION INCENTIVES AT-A-GLANCE



MARCH 2022



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R = Resident, NR = Nonresident, ATL = Above-the-Line, BTL = Below-the-Line

STATE	INCENTIVE	TYPE OF INCENTIVE	PER PROJECT INCENTIVE CAP	FUNDING CAP	QUALIFIED LABOR	SUNSET DATE
Alabama	25% Spend & Nonresident Labor 35% Resident Labor	Refundable Tax Credit	No Cap*	\$20M Per Fiscal Year (10/1 – 9/30)	Each Resident & 1 st \$500k of Each Below-the-Line Nonresident, 1 st \$1M Each Above-the-Line Nonresident	None
Arkansas	Up to 20% Spend & Labor +10% Below-the-Line Resident Labor	Rebate	No Cap	No Cap	1 st \$500k of Each Resident & Nonresident Subject to AR Tax	6/30/32
California ⁽¹⁾	20% Non-Indie & TV Series +5–10% Out-of-Zone*	Non-Transferable Tax Credit (Non-Indie/TV)	\$20M Non-Indie/TV \$30M w/Uplifts	\$330M Per Fiscal Year (7/1 – 6/30)	Each Below-the-Line Resident & Below-the-Line Nonresident	6/30/25
	25% Indie & Relocated TV Series +5% Out-of-Zone*	Transferable Tax Credit (Indie)	\$2.5M Indie \$3.0M w/Uplifts			
Colorado	20% Spend & Labor	Rebate	No Cap	\$5M FYE 6/30/2022*	1 st \$1M of Each Resident & Nonresident	None
Connecticut	10%, 15%, 30% (Based on Spend & Labor)	Transferable Tax Credit*	No Cap	No Cap	Each Resident & Nonresident*	None
District of Columbia	35% or 21% Spend* 30% Resident Labor 10% Nonresident Labor	Rebate	Discretionary*	Discretionary	Each Resident & Nonresident	None
Georgia ⁽¹⁾	20% Spend & Labor +10% Promotional*	Transferable Tax Credit	No Cap	No Cap	1 st \$500k of Each Resident & Nonresident On Form W-2, otherwise no cap*	None
Hawaii	20% Spend & Labor—Oahu 25% Spend & Labor—Neighbor Islands*	Refundable Tax Credit	\$15M	\$50M Per Calendar Year	Each Resident & Nonresident Subject to HI Tax	12/31/25
Illinois	30% Spend & Resident Labor +15% Resident Labor—High Poverty Area*	Transferable Tax Credit	No Cap	No Cap	1 st \$100k of Each Resident	12/31/26
Kentucky	30% Spend & Nonresident Labor +5% Enhanced County 35% Resident Labor	Refundable Tax Credit	No Cap	\$75M Per Calendar Year	Each Below-the-Line Resident & Nonresident & 1 st \$1M of Each Above-the-Line	None
Louisiana ⁽¹⁾	25% Spend & Labor* +15% Resident Labor* +10% Screenplay +5% Out-of-Zone +5% VFX Costs	Transferable only to the state at a discount	\$20M/\$25M*	\$180M Per Fiscal Year* (7/1 – 6/30)	1 st \$3M of Each Resident & Nonresident*	6/30/25
Maine	10% Nonresident Labor* 12% Resident Labor*	Rebate	No Cap	No Cap	1 st \$50k of Each Resident & Nonresident	None
	5% Spend	Nontransferable/Non- Refundable Tax Credit	No Cap	No Cap	NA	
Maryland	25% Spend & Labor or 27% Spend & Labor (TV Series or Pilot)*	Refundable Tax Credit	\$10M	\$12M Per FY Thru 6/30/2023*	Each Resident & Nonresident Earning ≤ \$500k*	None
Massachusetts	25% Payroll 25% Spend	Refundable*/ Transferable Tax Credit	No Cap	No Cap	Each Resident & Nonresident*	None
Minnesota	20% Spend & Labor* +5% Meet Certain Criteria*	Rebate	No Cap	\$1M For Biennium Ending 6/30/2021	Each Resident & 1 st \$400k/\$500k of Certain Nonresidents*	None
Mississippi	25% Spend & Nonresident Labor* 30% Resident Labor +5% Veteran*	Rebate	\$10M	\$20M Per Fiscal Year (7/1 – 6/30)	1 st \$5M of Each Resident & Nonresident* Subject to MS W/H	None
Montana	15%–35% Spend & Labor*	Transferable Tax Credit	No Cap	\$12M Per Calendar Year Thru 12/31/24	1 st \$7.5M of Each Above-the-Line & \$150k in Credits for Each Below-the-Line Resident & Each Below-the-Line Nonresident	12/31/29
Nebraska	20% Spend & Resident Labor	Grant	\$400k	\$1M Thru 6/30/2025	Each Resident	6/30/25
Nevada	15%, 20%, 25% Spend & Resident Labor* 12% Above-the-Line Nonresident Labor	Transferable Tax Credit	\$6M	\$10M Per Fiscal Year (7/1 – 6/30)	1 st \$750k of Each Resident & Above-the-Line Nonresident	None
New Jersey	30% Spend & Labor +5% Certain Counties* +2% Diversity Plan*	Transferable Tax Credit	No Cap	\$100M Per Fiscal Year (7/1 – 6/30)	1 st \$500k of Each Resident & Nonresident	6/30/28
New Mexico	25% Spend, Resident Labor, & Nonresident Performing Artists +5% Location/Stage/Pilot	Refundable Tax Credit	No Cap	\$110M Per Fiscal Year (7/1 – 6/30)	Each Resident & Nonresident Performing Artists*	None
	15% Limited Below-the-Line Nonresident Crew				Limited Below-the-Line Nonresident Crew	
New York – Prod. & Post Only	25% Spend & Labor* +10% Upstate County* 25%, 30% Post Only* +10% Upstate County BTL Labor*	Refundable Tax Credit	No Cap	\$395M Per Calendar Year	Each Below-the-Line Resident & Below-the-Line Nonresident & Certain Above-the-Line Resident & Above-the-Line Nonresident*	12/31/25
New York – Commercial	20% Downstate 30% Upstate	Refundable Tax Credit	No Cap	\$7M Per Calendar Year	Each Below-the-Line Resident & Below-the-Line Nonresident	12/31/23
North Carolina	25% Spend & Labor	Rebate	\$7M Film/TV Movie \$15M TV Series \$250k Commercial	\$31M Per Fiscal Year (7/1 – 6/30)	1 st \$1M of Each Resident & Nonresident	None
Ohio	30% Spend & Labor	Refundable Tax Credit	No Cap	\$40M Per Fiscal Year (7/1 – 6/30)	Each Resident & Nonresident	None
Oklahoma	20% - 38% Spend & Labor	Rebate	No Cap	\$30M Per Fiscal Year (7/1 – 6/30)	Each Resident & Above-the-Line Nonresident Loan Out*	6/30/27
Oregon	OPIF 20% Spend* OPIF 10% Wage* +10% Outside Portland Metro Zone*	Rebate	50% of annual funding	\$20M Per Fiscal Year (7/1 – 6/30)	Each Resident & Nonresident Earning < \$1M*	12/31/29
	GOLR* +6.2%		No Cap	NA		
Pennsylvania	25% Spend & Labor +5% Minimum Stage Requirement*	Transferable Tax Credit	20% of the Annual Cap	\$70M Per Fiscal Year (7/1 – 6/30)	Each Resident & Nonresident Subject To PA Withholding Tax*	None
Puerto Rico	40% Spend & Resident Labor +Up To 15% Puerto Rico Producer*	Transferable Tax Credit	No Cap \$4M	No Cap	Each Resident	None
Rhode Island	20% Nonresident Labor		No Cap	No Cap	Each Nonresident	
	30% Spend & Labor	Transferable Tax Credit	\$7M*	\$20M Per Calendar Year	Each Resident & Nonresident	6/30/27
South Carolina	25% Out-of-State Supplier, 30% In-State* 25% Resident Labor 20% Nonresident Labor	Rebate	No Cap	\$5.5M Spend \$10M Wage Per Fiscal Year (7/1 – 6/30)	1 st \$1M of Each Resident & Nonresident	None
Tennessee	25% Spend & Labor +5% Logo*	Grant	No Cap	\$2M* Per Fiscal Year (7/1 – 6/30)	1 st \$250k of Each Resident & 1 st \$2M of All Nonresident Labor*	None
Texas ⁽¹⁾	5%, 10%, 20% (Based on Spend)* +2.5% Underutilized Area*	Grant	No Cap	\$45M For Biennium Ending 8/31/2023	1 st \$1M of Each Resident	None
	10%, 15%, 17% Resident Labor	Transferable Tax Credit	No Cap			
US Virgin Islands	9% Spend (OPE)* +10% Promo* +10% St. Croix*	Rebate Rebate Rebate	\$500k* No Cap No Cap	\$2.5M Per Calendar Year	1 st \$500k of Each Resident	None
Utah	20% Spend & Labor +5% Meet Criteria	Refundable Tax Credit	No Cap	\$6.79M* Per Fiscal Year (7/1 – 6/30)	1 st \$500k of Each Resident, Nonresident's UT Withholding Tax*	None*
	20% Spend & Labor	Rebate	No Cap	\$1.5M		
Virginia	15% or 20% Spend & Labor* +10% or 20% Resident Labor*	Refundable Tax Credit	At the Discretion of the Film Office	\$6.5M Per Fiscal Year (7/1 – 6/30)	1 st \$1M of Each Resident & Nonresident	12/31/26
	Discretionary*	Grant		\$4M* For FY 6/30/2022	Discretionary	None
Washington	Up to 15%, 30%, or 35% Spend & Resident Labor* Up to 15% Below-the-Line Nonresident Labor*	Rebate	No Cap	\$3.5M Per Calendar Year	Each Resident & Below-the-Line Nonresident*	6/30/27

⁽¹⁾Local incentive may be available.

*Please visit our website at www.castandcrew.com/solutions/accounting-financial/incentives-map/ for details and up-to-date information. These materials have been prepared as of March 1, 2022 by Cast & Crew for informational purposes only and should not be construed as tax advice or relied on for specific production projects.