

**Statement of Jane Saul,
Director of the Pennsylvania Film Office
Before the Legislative Budget and Finance Committee
Harrisburg, PA
June 17, 2009**

Good morning. It is a pleasure to be here today.

I would like to thank this Committee for its efforts to provide a thorough and unbiased analysis of the impact of the Film Tax Credit on the Commonwealth, its citizens and their prospects for the future.

The report "Film Industry Analysis" issued earlier this month documents the benefits generated by the Film Tax Credit in FY07-08, which include:

- 3,950 jobs
- Over \$146 Million in wages
- \$525 Million in economic activity
- \$18 Million in revenues to state and local government and a net fiscal gain of \$4.5 Million from the industry as a whole

The Film Office has received over \$173 Million in applications for Film Tax Credits this fiscal year (i.e., more than twice the amount of the allocation) so without question demand will outstrip supply by a wide margin in FY08-09. Therefore, the benefits cited in the Committee's report for FY07-08 will be repeated again for FY08-09 and in FY09-10 as well if the Film Tax Credit stays at its current level.

If, on the other hand, the Film Tax Credit is eliminated or reduced, each of these "pluses" will become a "negative;" that is instead of creating jobs and economic activity, each year the Film Tax Credit is not continued the Commonwealth will lose:

- nearly 4,000 jobs
- Over \$146 Million in wages
- \$525 Million in economic activity

In addition, the Commonwealth and local government will lose \$18 Million in revenues to and there will a net fiscal loss of \$4.5 Million from the industry as a whole. The losses don't stop there. Unemployment costs will increase by \$6.2 Million and the young and not-so-young who see their future in this growing industry will seek their futures elsewhere

Members of the Committee, I urge you to convey this information to your colleagues so that as they consider proposals to eliminate or reduce the Film Tax Credit they understand that such actions will add to the negative side of the Commonwealth's balance sheet, not the positive side and, as the report states, that impact will be felt very quickly and have long-term negative consequences for the Commonwealth as well.