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Even tax breaks have gone broke

By Georg Szalai

New York City has exhausted its budget for tax incentives for film and TV productions as of Tuesday, city officials said Wednesday just ahead of the July 4 weekend.

“New York City’s ‘Made in NY’ tax credit for qualified film and TV production — the only one of its kind administered by a city in the U.S. — has reached its full allocation of \$192.5 million, and funds are no longer available for new applications,” the NYC Mayor’s Office of Film, Theatre and Broadcasting said.

Productions have been able to

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— **New York Mayor’s Office**

claim 5% tax credits from the city in addition to a 30% production tax credit from the state.

“Any disruption in the process is not good, especially as we ramp up to the typical TV season,” said John Johnston, executive director of the New York Production Alliance, about the funding situation. He again urged lawmakers to pass new

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‘Made in NY’ unmade

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long-term incentives plans for the city and the state.

“Wavering does not instill confidence in the studios that N.Y. is committed to supporting a successful economic and job-creating program,” Johnston said. “We continue to urge our legislators to take a long-term view and make a multiyear commitment with no annual cap.”

The city recently proposed an extension of its incentives program using lower tax credits, but a rival proposal backed by the entertainment industry calls for a continuation of the 5% program, while suggesting annual payout limits to allow the city to retain flexibility amid the recession and budget woes. However, any legislation has been on hold in Albany amid a power struggle in the state Senate.

In addition, the industry has pushed for a multiyear extension of the state incentives.

Douglas Steiner, chairman of Steiner Studios, said new city funding is needed, and the industry is focused on reaching an arrangement that works for both sides.

But he sees no immediate impact from the lack of NYC capital. “It won’t disrupt our operations at Steiner,” he told THR. “I don’t think it is going to cause a problem for the industry right away, because everybody working here is already in the queue.”

Steiner expects a new city bill in the coming months, but said the chaos in Albany where a bill must first be approved makes more precise predictions hard right now.

The Mayor’s film office said Wednesday that productions can still send incentives applications to the city. “However, at this time, it is unclear whether new legislation will cover applications received during the interim,” it added. **THR**

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