

April 6, 2009  
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## **Film tax credit & the city**

### **State's \$350M hailed, but critics say it falls short**

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THE STATE has pumped \$350million into the budget to resupply a successful tax credit for film and TV production - but the cash influx has gotten mixed reviews from the industry.

Despite having to address a \$16.2 billion budget gap, Gov. Paterson and legislative leaders found the cash to re-up the tax credits, which have spawned \$2.5 billion in new business since they hit the books in 2005.

"In the midst of our financial crisis, we got \$350 million to continue the level of production that's here," said Douglas Steiner, chairman of Steiner Studios in Brooklyn. "That is nothing short of fantastic."

But John Ford, president of Manhattan-based Local 52 of the Motion Picture Studio Mechanics, said industry growth will be slowed because the funding is only for one year.

"I'm thankful ... but at the end of the day, that's not going to help us bring jobs here," he said.

The tax credits - 30% from the state and another 5% from the city - cover production costs apart from the big-ticket salaries of actors, directors and writers.

The credits are key to making New York competitive in a cutthroat market where numerous other states and countries offer similar or more lucrative incentives, industry insiders said.

In early February, when the program exhausted the \$460 million the state allocated last year in about 10 months, entertainment companies began to shy away from the city in booking TV pilot shoots for this spring.

Several industry insiders said the new funding will help the industry hold onto popular shows already being filmed in the city, such as "30 Rock" and "Ugly Betty."

But with the tax breaks uncertain beyond a year, they said, it will be hard to lure new TV shows, which generally make multiyear commitments to a filming location.

Industry insiders are continuing to lobby Albany to add multiple years of funding. They pointed out that the state's own study shows it makes \$1.10 for every \$1 it pays out in incentives. When the city's haul is factored in, that figure jumps to \$1.90.

Stuart Suna, president of Silvercup Studios in Long Island City, said he will look to open new stages in the city - possibly in Queens or the Bronx - if the program gets a multiyear commitment.

"This industry has the huge potential to become a massive job-stimulus program," he said.