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1,065,240 Viewers

Tax incentives boost NY filming

Policies aid film and TV during recession

By SAM THIELMAN

Pat Kaufman is breathing a sigh of relief. The woman who heads of the New York Governor's Office of Motion Picture and Television Development is already seeing dramatic results from the state's recent renewal of its tax incentive program for filming, with \$350 million added to the coffers after the state blew through its \$480 million cap -- which was supposed to last five years -- in less than 10 months.

"I'm certainly glad that the state demonstrated how much it values the industry," says Kaufman, who saw applications pile up during the dry spell but has now witnessed the program regain its stride.

In the first quarter of 2009, Kaufman processed applications for 44 projects -- 33 features, two pilots, nine series -- projected to spend \$845 million in the state. That doesn't include docs, shorts or productions that don't qualify for the credit. A year ago, just before the program expanded, there were eight applications with \$180 million projected. Clearly, film and TV are the places to be during the recession.

"Even during the Great Depression, this was an industry that did very well," Kaufman observes. "People continue to want entertainment, to want to escape. The jobs that this kind of industry creates will continue to happen."

New York's program is different from those of surrounding states in that it is bigger on the outside than it is on the inside. With a 30% refundable break on expenses (35% in New York City), the incentive looks like the best bargain in the country. In a way, it is -- but for local workers. The credit applies to below-the-line expenses only, making New York-based crews not only desirable but necessary.

In practice, that 30% works out to about 15% of total expenses, but studio bean-counters are usually willing to take the smaller amount as long as it comes in the form of a check. Other states, like neighboring Connecticut, offer 30% or more across the board, but its refunds frequently come in the form of a salable voucher that is worth far less on the open market than it costs in taxes.

There was plenty of griping from TV producers and facility owners that the program renewal wasn't enough -- the multiyear incentive that was supposed to start in 2008 attracted several series startups from producers who thought they had a sure thing for the next five years.

Still, some find a bright side. "Albany stepped up to the plate," says Steiner Studios prexy Doug Steiner, who housed features from "Burn After Reading" to "Sex and the City: The Movie." He adds that "\$350 million is nothing to sneeze at; 19,000 jobs are staying. TV has only a few places that are viable, notwithstanding the rebate states, and they are New York, L.A., Toronto, Vancouver."

Steiner would know -- he helped to design the program and has patiently petitioned three different governors for expansions. (And he always gets what he asks for.)

With the economy in such rough shape, most agree that the film industry is a beacon of productivity that New York desperately needs. And if film production continues to fill the state's coffers, New York will only get friendlier to studios. "As times improve and things level out," says Steiner, "it'll be easier."