

**Testimony – Taxation Committee February 6, 2024**

Senator Grohoski, Representative Perry, and Members of the Joint Standing Committee on Taxation

My name is Louise Rosen. I'm a board member of the Maine Film Association and chair of the Advocacy Committee. I live in Brunswick and work internationally as a business and editorial consultant and producer. My projects have included Academy Award, Emmy, Peabody, and Sundance Award-winning films. I moved to Maine in 2005 to be closer to my father who had retired here. I am testifying in support of LD 1075.

I'm here today on behalf of the Maine Film Association's membership to speak about the benefits enhanced tax incentives will bring to the visual media-making community in Maine. In 2022 the MFA released an Economic Impact Report on the Maine Film & Video sector.

This report is the product of a collaborative effort between the MFA and Prof. Todd Gabe of the University of Maine School of Economics. The MFA collected industry revenue and expense data for the pre-Covid year 2019 from a total of 128 Maine-based film and production entities: 38 companies and 90 freelance production professionals and independent filmmakers.

The data showed that the Maine film and video production industry had a direct economic impact of \$29.25 million in revenue, supported 312 full- and part-time jobs, and generated \$16.1 million in direct labor income. Including multiplier effects, in 2019 Maine's film and video production industry generated an annual economic impact of \$64.3 million in revenue, 609 full- and part-time jobs, and \$28.7 million in labor income. The economic multipliers Professor Gabe used in the report range from 1.7 to 2.1.

Speaking of their experience at Lone Wolf Media, my colleagues Adam Costa and Benjamin Joseph have provided data that describes how the incentives have benefited not only employees, but as can be seen on the attached budget summary for a single project, had multiplier effects that significantly benefit the state, particularly in the category of local wages. Lone Wolf has grown into a roughly \$10 million year company. Taking it a step further, using an estimated multiplier of 1.8, less than the average multiplier used in by Prof. Gabe, Lone Wolf generates about \$18 million in economic impact. Added to the impact that was measured in the 2022 report of \$64 million, if Maine had one or two additional companies operating at Lone Wolf's level, we would have an industry creating over \$100 million in economic impact in the state. That's a big number for Maine. When the Roux family donated the initial \$100 million to create the Roux Institute it made headlines. When the Alford Foundation provided another \$100 million to the Institute it made headlines. We are not asking for a donation. We are seeking improved *performance-based* incentives. If money is spent according to the guidelines, productions can receive incentives. I've done my best to read the state's General Investments and Incentives program and FAME's New Markets Capital Investment Program. From what I can tell, we are asking for far less than the support offered to some other businesses already in Maine or being enticed to come to Maine.

It's important to understand that LD 1075 is not offering incentives at a level that is meant to attract Hollywood studios. They are much more highly incentivized to go to places such as Georgia, New Mexico, and Canada. That's fine. We know there's a sweet spot where Maine *can* be competitive, in both the fiction and non-fiction worlds. It's for productions under \$8 - 10 million.

By improving the incentives, Maine has the opportunity to create an environment that fosters growth within an innovative, STEM-based industry sector, creating an environment that will entice young, creative, and tech-savvy professionals to come to Maine while offering exciting reasons for Maine's own talent to remain here.

Thank you.

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**Expense Data for 3-part Documentary Series produced in 2023**

**Estimated Multiplier of 1.8  
based on MFA 2022  
Economic Impact Study**

Item	Amount	
Total Budget	\$3,029,288.00	
Total of Budget spent in Maine (Wages):	\$845,614.12	\$1,522,105.00
Total Certified Production Wages paid to Maine Resident Employees:	\$788,704.12	
Total Certified Production Wages paid to Non-Resident Employees:	\$57,510.00	
Production Spend in Maine:	\$40,013.69	\$72,023.00
Percentage Filmed in Maine	32%	
Number of Employees Hired by Production Company:	115	
Maine Resident Employees:	96	173
Non-Resident Employees:	19	
Production EST to receive in Wage Rebate (Current Bill):	\$100,395.49	
Production EST to receive in Production Spent Tax Credit (Current Bill)	\$2,000.65	Application process not cost efficient, not applied for
Production EST to receive in Wage Rebate (New Bill):	\$208,678.03	
Production EST to receive in Production Spent Tax Credit (New Bill):	\$10,003.42	