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DEPARTMENT OF ECONOMIC
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Testimony of Steve Lyons
Director of the Maine Film Office

In Opposition to LD 1493
An Act to Eliminate Tax and Wage Incentives for Visual Media Production Companies

Good afternoon Senator Grohoski, Representative Cloutier, and members of the Joint Standing Committee on Taxation. My name is Steve Lyons, and I serve as Director of the Maine Film Office. I appreciate the opportunity to speak with you today in opposition to LD 1493.

Filmmaking is a dynamic industry that supports a wide range of Maine businesses—from lodging and restaurants to retail, transportation, and other service sectors. A single production with a budget of $1 million can generate spending that ranges from a few thousand dollars to as much as $20,000 per day.

For example, in 2022, an independent film shot in Maine hired 21 Maine residents, filmed over 16 days, and spent nearly $21,000 per day. Of the total spending, approximately $100,000 went directly to wages for Maine residents, and the production invested about $170,000 in lodging alone.

However, this level of local economic impact is the exception, not the rule. Most productions choose to film in states with more competitive incentive programs. Currently, Maine offers a reimbursement of 10–12% for wages and 5% for non-wage production expenses. By contrast, many other states offer incentives ranging from 20% to 30%.

Each week, our office fields inquiries from production companies eager to film in Maine. Yet, when they learn of our comparatively modest incentive structure, they often choose other states. One such example is *Lost on a Mountain in Maine,* a quintessential Maine story that ended up being filmed in upstate New York, where the incentive rate is 30%.

The Maine Film Office sees strong potential to grow this industry by positioning the state as a destination for small, independent film productions with budgets of up to $5 million.

However, eliminating existing incentives would not only deter out-of-state productions—it would also risk driving away Maine-based filmmakers and industry professionals, from location scouts to career commercial actors. In seeking better support elsewhere, they would take with them valuable jobs, economic activity, and cultural contributions that would otherwise benefit our communities.

While we appreciate the sponsor's proposed amendment to limit the corporate use of the Visual Media Production Credit, the committee should carefully consider the broader implications of this exemption, particularly its impact on the employment of industry professionals. Many productions that may fall under the proposed exclusions, such as promotional or internal corporate media, still generate significant opportunities for Maine-based crew, technicians, and creative professionals. Restricting the credit's applicability in these areas could unintentionally reduce job opportunities and weaken the state's growing media production sector.

For these reasons, the Maine Film Office respectfully opposes LD 1493.

Thank you for your time and consideration.