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COMMISSIONER

May 13, 2025

**Testimony of Steve Lyons  
Director of the Maine Film Office**

**Neither For Nor Against LD 1597  
An Act To Improve Film Production in Maine**

Good afternoon Senator Grohoski, Representative Cloutier, and members of the Joint Standing Committee on Taxation. My name is Steve Lyons, and I am the Director of the Maine State Film Office. I am here today to testify *Neither For Nor Against* LD 1597, *An Act to Improve Film Production in Maine*.

The Maine State Film Office, housed within the Office of Tourism, is responsible for promoting film production in the state as part of a broader economic development strategy.

Every week, our office receives emails and phone calls from production companies—both in-state and out-of-state—inquiring about filming in Maine. The most common and immediate question we are asked is whether Maine offers financial incentives. Incentives have become a key factor in determining where production companies choose to film their next projects.

In today's highly competitive market, it is increasingly rare for a production to film in a location simply because the story is set there. Often, filmmakers choose alternative locations that can serve as a "stand-in" to reduce costs and meet budget constraints—sometimes allowing them to reinvest those savings into other aspects of production.

The tables included in the testimony packet before you summarize incentive reimbursement rates offered by film offices across the country.



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**Table 1** illustrates that approximately 70% of state film incentive programs offer wage reimbursements in the 20–30% range, while 80% provide non-payroll reimbursements in the same range.

Table 1: Number of U.S. States with Film Incentive Tax Credit Programs*		
Incentive Percentage	Labor/Wages	Nonpayroll
<20%	7	7
20-24%	9	9
25-29%	11	11
30%	5	8
35%	3	0
40%	1	0
*28 states offer tax credit incentives. However, some states offer multiple incentive options based upon additional criteria. Most of these programs are transferable and refundable tax credits.		

**Table 2** shows that approximately 74% of states offering rebates and grant-based incentives provide reimbursement rates between 20–30%.

Table 2: Number of U.S. States with Film Incentive Rebate/Grant Programs*		
Incentive Percentage	Labor/Wage	Nonpayroll
<20%	4	4
20-24%	6	6
25-29%	5	6
30%	3	2
35%	1	1
*14 states offer Rebate/Grant incentives on labor. However, some states offer multiple incentive options based upon additional criteria.		

\* (Data Source: 2024 Cast & Crew – The Incentives Program)



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By comparison, Maine currently offers tax credits of 10-12% for payroll expenses and 5% for non-payroll expenditures – roughly half of what most other states and Canadian provinces provide.

At the Maine Film Office, we view film incentives as one of several important economic development tools. Productions support a broad range of local small businesses and can help retain young professionals by creating high-quality jobs in a growing industry.

Beyond immediate economic benefits, there are also long-term gains. When a film or television series is produced in Maine, the state not only benefits from direct in-state spending, but also from future tourism, as audiences are often inspired to visit the locations they see on screen. For these reasons, we believe it is essential that Maine offer a competitive incentive program to attract and retain film and television productions. Expanding the film credit represents a positive step toward growing this industry. We also recognize that the state's current fiscal situation calls for a thoughtful and measured approach. We appreciate that the committee must carefully weigh the benefits and trade-offs in determining whether now is the right time for this investment.

Thank you for your time and consideration. I am happy to answer any questions you may have.