

STATE SENATOR • MICKEY SWITALSKI • 10TH DISTRICT

Switalski Press Release

P.O. Box 30036 • Lansing • Michigan • 48909-7536 • 517-373-7315 • Fax: 517-373-3126
E-mail: senmswitalski@senate.michigan.gov • www.senate.mi.gov/switalski



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Contact: Sen Mickey Switalski
Phone: (517) 373-7315

Film credit reform bills introduced in the Senate

LANSING—Two bipartisan reform measures that were introduced Wednesday in the Michigan Senate would cap the state's generous film credits, increase the incentives on permanent infrastructure, revitalize commercial production and free up \$100 million to help Michigan's struggling small businesses.

"Michigan's film incentives have been successful beyond our wildest dreams. But they are also very expensive," observed Sen. Mickey Switalski, D-Roseville. "This legislation will expand some credits and place reasonable limits on others to accommodate our budget. We will still have the most generous incentives in the nation."

Senate Bill 404 would reduce the current refundable credit from 42 percent to 35 percent and cap the total amount of credits to \$50 million per year. The bill also would add transparency to how the credits are spent, allow commercials produced in Michigan to be eligible for the credits and require that 90 percent of the employees on a qualifying production be Michigan residents.

"These pro-Michigan reforms will right-size the film credits into a form that the state can afford and that places an emphasis on sustainable, long-term jobs," said Sen. Nancy Cassis, R-Novi. "We want these jobs to be Michigan jobs, employing Michigan workers. The best way to ensure that our workers will see the benefits is to enhance the incentives to construct permanent production facilities in Michigan and help restore the state as a mecca of commercial production."

Senate Bill 405 would increase the Infrastructure Film Credit from 25 percent to 30 percent, double the minimum facilities investment requirement from \$250,000 to \$500,000 and mandate that at least 90 percent of the employees would be Michigan workers.

"The emphasis needs to be placed on creating jobs that stay in Michigan and employ Michigan workers," said Sen. Jud Gilbert, R-Algonac. "It would be unwise for the state to continue opening its checkbook without limits for the film industry."

Senate Bills 404 and 405 have been referred to the Senate Finance Committee for consideration.

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