

Joint Budget Hearing, 2-5 PM, NY Academy of Medicine, 1216 Fifth Ave.

March 2, 2019

Submitted by: Michelle Gittelman, Upper West Side Coalition/United Thru Action

I am writing to urge NY state lawmakers to enact sound, responsible revenue-generating policies that reflect the new realities of our increasingly polarized economy. Several policies are being considered, including an Assembly bill to introduce new tax brackets to the very wealthy, and a pied a terre tax such as exists in Vancouver and Paris. I am writing as a third generation Manhattanite who is keenly aware of the changes in our City, and I believe we need new tax policies such as these to address them. My grandmother was born on East 5th street and was uneducated; my parents graduated from City Colleges and became Phd-level professionals. I have followed in their footsteps. In many ways New York is much better than when I was a child. The parks are sparkling, the city is more child-friendly, our arts, educational and research institutions compete at a global scale. And yet, many aspects of life are much harder now. I think back to my divorced mother, who worked part time to raise me, but could still afford a gracious apartment on the Upper West Side, adequate childcare, a car and a summer cottage rental. Today a family would have to earn seven figures to afford her lifestyle. We are experiencing negative progress in many aspects of our quality of life. New York has always been a home to the very rich, but the rising inequality of past decades are unprecedented and have vastly widened the gap between most New Yorkers and the very wealthy. This is a well-documented global phenomenon, but New York City and its environs is among a handful of locations for the concentration of wealth that is accumulating in the hands of a tiny few.

Rising inequality is a problem for the soul of New York but it also an opportunity to address our many social, economic and healthcare challenges. Voters agree. A recent New York Times poll showed that taxes on the very wealthy are popular across both Democratic and Republican voters (“Democrats Want to Tax the Wealthy. Many Voters Agree”, Feb 19,2019). Some argue that raising taxes on the very wealthy causes capital flight and revenue loss, but the research indicates that while some migration might occur, it is not sufficient to offset the revenue gains¹. This is particularly true in regions that offer unmatched location benefits such as New York. Federal tax law has placed fiscal pressures on us that forces us to take from one worthy need to give to another. This need not be the case. I am writing to urge our legislators to pass revenue-generating measures that will allow us to fund educational, transportation, housing, and other important initiatives, while affecting a very select number of ultra-wealthy individuals – who would also, importantly, benefit from funding these initiatives. This is low-hanging fruit for lawmakers, an opportunity to raise needed revenue without placing additional burden on the vast majority of New Yorkers. New York has an opportunity, and we need you to seize it. Thank you.

Signed
Michelle Gittelman

¹ See Young et al, “Millionaire Migration and Taxation of the Elite: Evidence from Administrative Data”, American Sociological Review, 2016 vol 81(3):421-446.

State Budget Forum
March 2, 2019

Dear NY State Senators, I urge you to please vote for the extension to the Film and Television Tax Credit Program.

I am a Costume Designer with 25 years of professional experience and received my MFA from NYU Tisch School of Arts. I am a member of USA Local 829 and Wardrobe 764.

I remember back before 2004, when most productions were going to Canada or other overseas productions. It was very difficult to find work in the industry that I actually have received a BFA and a MFA in training. For example, I once was hired for just 3 weeks, working frantically, to prep costumes for 2 characters here in NYC to be sent over to Australia for the filming production.

The actual prep and filming process of the production took place in Australia. That was about 4-5 months of work for the people there. The most interesting part of this situation was that the storyline took place in NYC, so therefore they actually had to build a set to emulate NYC and it was a CBS movie of the month production.

Imagine if we had the tax credit program back then, that means all those hundreds of jobs could have been provided for to New Yorkers here. I hate to see these kind of situations happen again to us here in NY. I believe NY has a high concentration of Artist, designers, crafts people, film and TV professionals.

For me, eventually I got work full time for 9 years at the Late Show With David Letterman. Since the show ended in 2015, it was hard lining up with new network of people in position to hire designers. Having many feature film and episodic TV productions here in NYC now, I was lucky enough to have tapped into the productions here and have line up work on set as set costumer. These freelance day play jobs helped a lots while I also looking for design jobs.

Finally, I hope you can see the significant impact on jobs producing in NY with the film and television tax credit program. I hope you would continue to support it.

Juliet Ouyoung

Good Afternoon, thank you for the opportunity to speak today.

My name is Patricia White I am here as a representative of the Theatrical Wardrobe Union, Local 764, part of the International Alliance of Theatrical Stage Employees. Our local proudly represents workers who take care of costumes on live events as well as TV & Film. This includes dressers, on set costumers, wardrobe supervisors and costume shop employees just to name a few positions. I am here today as a representative to speak to you about TV & Film, specifically the New York State Film and Television Tax Credit Program.

Tax incentives are a complicated topic and I can understand the confusion generated by average people and union representatives speaking in support of this kind of program. The New York State Film and Television Tax Credit Program, was crafted very specifically so that the employer receives no benefit until a job has been created and wages have been paid to workers. This is in steep contrast from some of the other tax incentives which have been in the news lately. The credit does not apply to famous actors or executive jobs, it can only be used for individuals working "below the line". That means behind the scenes or in the background on a production.

There has been a 55% increase in the number of TV and Film jobs since the implementation of the tax credit in 2004. In 2017 this program created 43,000 middle class jobs, 4.3 billion in personal income and 6.7 billion in local spending. I have a fact sheet, which includes data in support of the incentive, was prepared with the help of ten (10) local and national unions and the New York State AFL-CIO. These groups represent crafts such as designers, background actors, writers, editors, drivers, location managers, grips and script supervisors all of whom would be deeply hurt by the failure to include the extension of the Film and Television Tax Credit in this years' state budget.

My name is Martha Smith and I am a set costumer and Secretary/Treasurer of Local 764. I would like to talk to you about the membership of Local 764 and their concerns about the incentives not being included in the budget. Our membership is over seventy (70%) women and includes people of many races & ethnicities, across the gender spectrum, LGBTQ+ and actively working members between the ages of 24 - 94. A few of them are here with today, but happily many of them are working. The contracts they work under provide for health and retirement benefits, protecting them now and in the future. It is their future that brings me here today. After the announcement that the budget would not include a line for the Film and

Television Tax Credit Program our members were crestfallen. You see, the work they do is inherently transient and they knew instinctively what the impact of this exclusion would be on the industry. Some people, including elected representatives, look at the studios that have been built, the businesses dedicated to the film industry, the simple fact that we are New York and think that with this infrastructure there is no way the industry could move. I implore you to believe that this is not true. It is easy to pack up production and move on to the next location. As a New Yorker it pains me to see a park in Georgia standing in for Central Park. At a recent meeting we heard from our members that when some producers heard about the tax incentive they began re-evaluating their plans to shoot in New York and exploring alternatives for content currently being filmed throughout the state. This instability is incredibly difficult for the workers we represent. Their work is in New York, they have built their lives here.

Over 70% of our membership lives in New York State – 53% in Manhattan. We are your constituents and your voters. We work on films throughout the state and these productions patronize local businesses. Your offices may have been receiving passionate calls from my members and their families lately. It is for these creative, skilled, hardworking people and their families that I implore you to make sure that an extension of the Film and Television Tax Credit is included in this year's budget. By doing so you will help ensure these jobs and the investment in New York will continue to bear fruit, not just for the workers on the film, but for the resources they use like hotels, restaurants, fabric stores and for the communities these people live in. Include an extension of the Film and Television Tax Credit Program in this year's budget, please vote yes this year and every year.

Thank you.