



1400 K Street, Suite 400 • Sacramento, California 95814
Phone: 916.658.8200 Fax: 916.658.8240
www.cacities.org

March 21, 2014

The Honorable Mike Gatto
Member, California State Assembly
State Capitol Building, Room 2114
Sacramento, CA 95814

Re: AB 1839 (Gatto) – Income Taxes: Qualified Motion Pictures
Notice of Support

Dear Assembly Member Gatto,

The League of California Cities is pleased to support your Assembly Bill 1839, which addresses the out-of-state competition facing California's dynamic film industry by extending the California Film and Television Tax Credit Program by five years, lifting the per-film budget limitation on the tax credit so that larger films will be able to qualify, and offering additional incentives for specified film and television production activities.

According to a study on the Film and Television Tax Credit Program released by the Southern California Association of Governments this month, each dollar of tax credit issued under the program results in the following economic benefits:

- Total economic activity increases by \$19.12
- Labor income increases by \$7.15
- \$1.11 is returned to local and state governments

State incentives to support this critical sector of our economy are essential. California's film industry has long been a hallmark of its vibrant economy, and an entertainment beacon to the world. The California Film and Television Tax Credit Program, and your legislation to extend its incentives, are important mechanisms that will nourish this industry and our state's economy to ensure that both will thrive.

Thank you for your leadership on this important matter. If you have any questions about the League's position, please contact me at (916) 658-8252.

Sincerely,

A handwritten signature in black ink, appearing to read "Tim Cromartie".

Tim Cromartie
Legislative Representative

cc: Members, Assembly Committee on Arts, Entertainment, Sports, Tourism & Internet Media
Dana Mitchell, Consultant, Assembly Committee on Arts, Entertainment, Sports, Tourism & Internet Media
Jared Yoshiki, Consultant, Arts, Entertainment, Sports, Tourism & Internet Media, Republican Caucus