

Thomas R. Daly

108 Deepwood Court  
Kenai, Alaska 99611

02.22.2011

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Representative Kurt Olson  
State Capitol Room 24  
Juneau AK, 99801

RE: Senate Bill 23 Film Production Tax Credit

Dear Kurt;

On behalf of Alaskan small business owners negatively affected by a shrinking energy industry , and dissuaded from the SOA purchasing process, I would like to offer our support for Senate Bill 23, the extension of the Alaska Film Production Tax Incentive Program.

With the continued closures of energy companies on the Kenai Peninsula, the most devastating being the Agrium closure and most recently Conoco Phillips LNG plant it is necessary for businesses like mine to look for other industries to support.

Since its inception in 2008, the Film Production Tax Incentive program has created jobs for Alaskans and economic opportunities for Alaska businesses small and large. Film and television projects offer invaluable marketing and promotion for Alaska tourism, products and businesses. Continuing and extending this program offers a clear signal to the multi-billion dollar film and television industry that Alaska is open for business.

The fact is, in fiscal year 2010 revenue from participation the movie industry offset the loss in revenue from the shrinking energy sector and the loss of revenue from State of Alaska business brought on by the state not allowing Alaskan companies to bid contracts like the SOA WSCA copier contract.

Additionally financial incentives have changed the way filming decisions are made. Across the U.S. forty-five states currently have incentive programs of some type in place; demonstrating recognition by those states of the economic benefit this industry offers its labor force, area businesses and communities. Internationally, Alaska faces aggressive and long established film incentives from provincial and federal governments in Canada and around the globe. In order to stay competitive in this global industry Alaska needs to send a clear message.

We support the extension of the Alaska Film Production Tax Incentive program for ten years with \$100 million available in incentives during the first five years and \$100 million in incentives for the final five years. Senate Bill 23 will continue the successful economic diversification and development it has already shown while providing Alaska businesses opportunities to properly plan for and capitalize on Alaska's newest multi-million dollar industry.

Speaking on behalf of area small business owners and for all of the reasons listed, we fully support the Film Credit Tax Credit Bill and thanks the Alaska State Legislature for working towards a more prosperous Alaska.

Sincerely,

*Thomas R. Daly*  
283-5136