



RSM McGladrey Network
An Independently Owned Member

Offices in Anchorage & Kenai

February 15, 2011

Senator Johnny Ellis
Chair Senate Rules Committee
State Capitol, 119
Juneau, AK 99801-1182

RE: Senate Bill 23 Film Production Tax Credit

Dear Senator Ellis:

Mikunda Cottrell would like to offer our support for Senate Bill 23, the extension of the Alaska Film Production Tax Incentive Program. 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, financial incentives have changed the way filming decisions are made. Alaska faces aggressive and long established film incentives from provincial and federal governments in Canada. 45 other states currently have a program of some type as they understand the economic benefits that this industry can bring to our businesses and communities.

Mikunda Cottrell supports 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 economic diversification and economic development success of the film tax incentives while also providing a clear signal that offers Alaska businesses the opportunity to better plan for and capitalize on Alaska's newest multi-million dollar industry.

For all of these reasons, Mikunda Cottrell fully supports the Film Credit Tax Credit Bill and would like to thank the Alaska State Legislature for working towards a more prosperous Alaska.

Sincerely,

Jim Hasle, CPA, President and Managing Shareholder
Mikunda, Cottrell & Co.