



HB 3329 - We oppose a 40% increase in film industry tax credits

House Economic Development, Small Business and Trade – Jody Wisner – 2.17.2025

Tax Fairness Oregon understands that the film industry forces states to compete with subsidies. The question for the legislature is how we do it and for how much? The request today is for an increase in this tax credit subsidy of 40% which changes it from \$40 million a biennium to \$56 million a biennium.

This raises three questions:

- **Why should we increase a subsidy for this industry while other needs like homelessness and wildfire funding are more pressing?**
- **Given the uncertainty about the \$41 billion in federal funding that the Governor's Budget expects for the coming biennium, should we be increasing any tax credits that will reduce our ability to help people who might be cut from Medicaid and SNAP benefits?** In addition we're likely to lose Personal Income Tax revenue from unemployed federal employees. We need to be prepared for what might be coming our way in both new responsibilities and less revenue.
- **Why should we again issue film tax credits for sale with up to a 10% discount?** That means the cost to the GF is greater than the funds going to the industry. The Department of Revenue begins these tax credit auctions with bidding at 90% of the credit value. The 120 or so bidders are saving an average of \$16,000 each per year by buying tax credits to pay their taxes. Why do we have programs like this? This bill asks you to give tax credit purchasers as much as \$5.6 million and the industry \$50.4 million. This mechanism is throwing money away. At least convert this to a budget ask rather than a tax credit?

Obviously you will prioritize the asks before your committee and decide what to send forward. If you find that you want to recommend that the legislature increase subsidies for this specific industry, then please use grants, not tax credits, for this purpose.