

# New York Gov. Kathy Hochul's Budget Extends State Film/TV Production Tax Credits By Three Years To 2029

By Jill Goldsmith

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**'Marvelous Mrs-Maisel,' shot in New York** Christopher Saunders/Prime Video

Gov. Kathy Hochul proposed extending New York State's film and television production tax credit by three years — through 2029 — in a budget she presented today.

The proposed executive budget plan for fiscal 2023 doesn't elaborate on the credits — they show up as a line item in a section of chart called 'Other Key Tax Cuts and Credits.' Details are being worked on and there could be some new stipulations and requirements.

The program, which provides credits of \$420 million per year for film and television productions, currently runs through 2026. It offers a 25% credit for qualified production and post-production costs incurred in-state, with additional credits of up to 10% on labor costs in dozens of counties outside of New York City's five boroughs.

"We're happy about this. It's very positive and it is totally aligned with what we have been doing in the industry in terms of job creation and broader economic activity. We've also been one of the most resilient industries in the state during Covid-19," said Flo Mitchell-Brown, chair of industry group the New York Production Alliance, of the extension.

The \$216 billion budget is Hochul's first since the former Lieutenant Governor stepped up to the top job after her one-time boss Andrew Cuomo resigned under a cloud in August amid multiple allegations of sexual impropriety. She's running in Nov. and has a hefty lead ahead of the Democratic primary in June. (NYC's recent ex-Mayor Bill De Blasio announced today he's scrapping plans to run for governor himself as Hochul leads him by 46% to 12% in polls.)

The state's fiscal year ends in March. The budget needs to pass, and tax credits are never written in stone — the funding can run out. Politicians and pressure groups routinely gripe about tax breaks for businesses, including vocally at a New York State Senate hearing Friday held "to review the effectiveness of business subsidies and tax incentives in meeting New York State's economic development goals."

That said, the proposed three-year extension is good news. Tax credits are key to enticing productions and the longer they run, the more stability. Production in NY city and state have been

ramping up steadily since credits were launched in 2004, accelerating recently alongside the streaming boom.

The city, and state, still remains underserved in terms of studio space but there's a lot of building, buying and upgrading of facilities including the recently opened Lionsgate Studios in Yonkers and a new Steiner Studios project in Sunset Park, Brooklyn, among others. Developer Hackman Capital has acquired the iconic Silvercup Studios and Kaufman Astoria Studios.

Production got another shout-out in the budget in the form of a new Office of Workforce and Economic Development that will focus in part on the biz. "The State will also invest in a full spectrum of programs to unlock career opportunities that prepare more New Yorkers for the jobs of the future – with particular focus on information technology, life sciences and advanced manufacturing, the green economy, and film production and post-production," the budget said. Also no details yet.

The document also included an NYC Musical and Theatrical Tax Credit Extension, extending the initial application deadline to June 30, 2023 and doubling the cap from \$100 million to \$200 million "to provide one-time aid to eligible productions and revitalize tourism in New York City."