



NEW YORK STATE SENATOR

Martin J. Golden

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*New Tax Credit Will Promote New York's Creative and Technology Sectors; Provide Support for
Existing Businesses and Create 21st Century Jobs*

New York, NY- New York is Music (NYIM)— a coalition of more than 200 music-related organizations— joined leaders in the videogame industry today to call on Governor Cuomo to sign into law bipartisan legislation to establish the Empire State Music Production Credit and the Empire State Digital Gaming Media Production credit. In June, the State Legislature overwhelmingly passed the bill, which is sponsored by Assemblyman Joseph Lentol (A10083) and Senator Martin Golden (S7485), both of Brooklyn.

"It is essential that New York enacts this program to jump start our dormant music and digital gaming industries," said **Senator Marty Golden (R-C-I, Brooklyn)**. "I applaud my colleagues in the State Legislature for passing this bill and I urge Governor Cuomo to sign this into law. I am so confident that this legislation will achieve its goal, and provide the leadership we desperately need in New York to grow these two dynamic sectors that deserve to have the Empire State as their global centers."

"We used to take for granted that we were the epicenter of the music industry. We assumed everyone wanted to do business here," said **Assemblyman Joseph R. Lentol (D, Brooklyn)**. "We were wrong. During the past decade, our state has witnessed a flight of recording studios, technicians, artists and songwriters to states across the country. From 1999 to 2014, New York's share of top albums fell from 24% to about 12% and Local 802 AFM, the state's union of professional musicians, reported a 30% drop in recording work. Unless we want New York's music economy to continue its slide into mediocrity we must take a stand. Governor Cuomo has an opportunity to not only revive the music industry, but to strengthen and regain our video game production industry, which we have also lost to other states. Now is the time for Governor Cuomo to support two incredibly creative industries. I urge him to sign the Empire State Music Production Credit and the Empire State Digital Gaming Media Production Credit into law."

The Empire State Music Production credit will help foster a more positive environment for musicians and the music industry in New York while helping recording studios stay in business. In New York City and other downstate areas, rising real estate and other financial pressures have forced some of the most storied and successful studios—from The Magic Shop Recording Studio in SoHo to MRS Studios in Times Square—to close their doors. The tax credit will provide vital support for studio operators and music production companies of all sizes by allowing business owners to recoup expenses related to studio rental fees; instrument and equipment rental fees; and the fees related to the hiring of musicians, programmers, engineers, and technicians; and mixing and mastering services. The bill also helps keep New York State competitive with other states and cities, including Toronto, Los Angeles, New Orleans and Nashville, as well as foreign countries, that have lured away the industry through aggressive incentive programs over the last decade.

“Across New York State, hundreds of thousands of New Yorkers help maintain New York’s role as the global epicenter of the music industry,” said **Justin Kalifowitz, co-founder of New York is Music and CEO of Downtown Music Publishing**. “They ensure that all facets of the industry operate in every region of the state at the highest level, creating singularly the most dynamic music ecosystem in the world. And at the heart of that system is music production and the incredibly talented creative and technical professionals working across the state. On behalf of the entire coalition, we call on Governor Cuomo to sign the Empire State Music Production Tax Credit and insure that we remain King of the Hill, Top of the Heap.”

"We are creating some of the most valuable jobs in the U.S. economy right now. New York's investment will increase opportunities for highly-skilled and well-educated video game industry employees in the state," said **Tom Foulkes, Vice President of State Government Affairs for the Entertainment Software Association (ESA)**, which represents the U.S. video game

industry. "Our industry is one of the nation's fastest growing economic sectors, and nowhere is this clearer than in New York. We thank Senator Golden and Assembly member Lentol for their leadership and vision."

"This legislation sponsored by Senator Golden and Assemblyman Lentol will send a strong message that New York is prepared to reclaim its rightful place as the music capital of the world," **Ben Allison, President of The Recording Academy's New York Chapter**, bassist, producer, and recording artist. "It creates a partnership between the music recording business and the State of New York – a partnership that helps to level the playing field and make NY, once again, a cost-effective place to make records."

"New York has always been a world capital for creative industries, attracting the most talented and ambitious people from around the globe. As games continue to grow in creative power and commercial impact, we have the potential to become a thriving hub for what may be the most important and influential cultural form of the 21st century," said **Frank Lantz, chair of the NYU Game Center at the Tisch School of the Arts**. "We are excited that our legislators are committed to providing the support needed to make this vision a reality."

New York City is an international center of live music, home to thousands of working musicians that together support the cultural heritage of our communities and collectively drive the entertainment industry, a major part of our economy," said **Tino Gagliardi, President, Associated Musicians of Greater New York, Local 802 AFM**. "In order to maintain that international standing, we must support one of the industry's most important components - the recording industry. By encouraging music producers to record here, rather than outsource them out of the state or the country, we will see more recordings made, more people employed, and more opportunity for musicians to create music for millions of people across the world to enjoy."

The Empire State Music Production Tax Credit will provide a total of \$25 million in tax credits for music production, including music video production, starting in 2017. Companies can receive a credit equal to 25 percent of eligible costs incurred within NYC, Long Island, Westchester, Orange, Putnam, Dutchess, and Rockland counties and 35 percent of eligible costs in other counties in New York State. The program is capped at \$25 million per year.

As with New York's hugely successful film tax credits, the State can play an extremely supportive role in encouraging the growth of the music production and video game industry and help ensure that New York State is a place that artists, musicians, developers and designers can live, work and thrive.

ABOUT NYIM

NYIM's mission is to advance the importance of music in economic development, culture, and education in New York and put New York on a level playing field for music production. The coalition includes a wide range of over 200 organizations, representing over 100,000 New Yorkers, such as: independent recording labels, The Associated Musicians of Greater New York (Local 802), The Recording Academy, local music venues, and various individual musicians, writers, and others.

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