NEW YORK STATE SENATOR

Daniel G. Stec

Middle Class Taxpayers must come ahead of Movie Moguls

DANIEL G. STEC February 16, 2021

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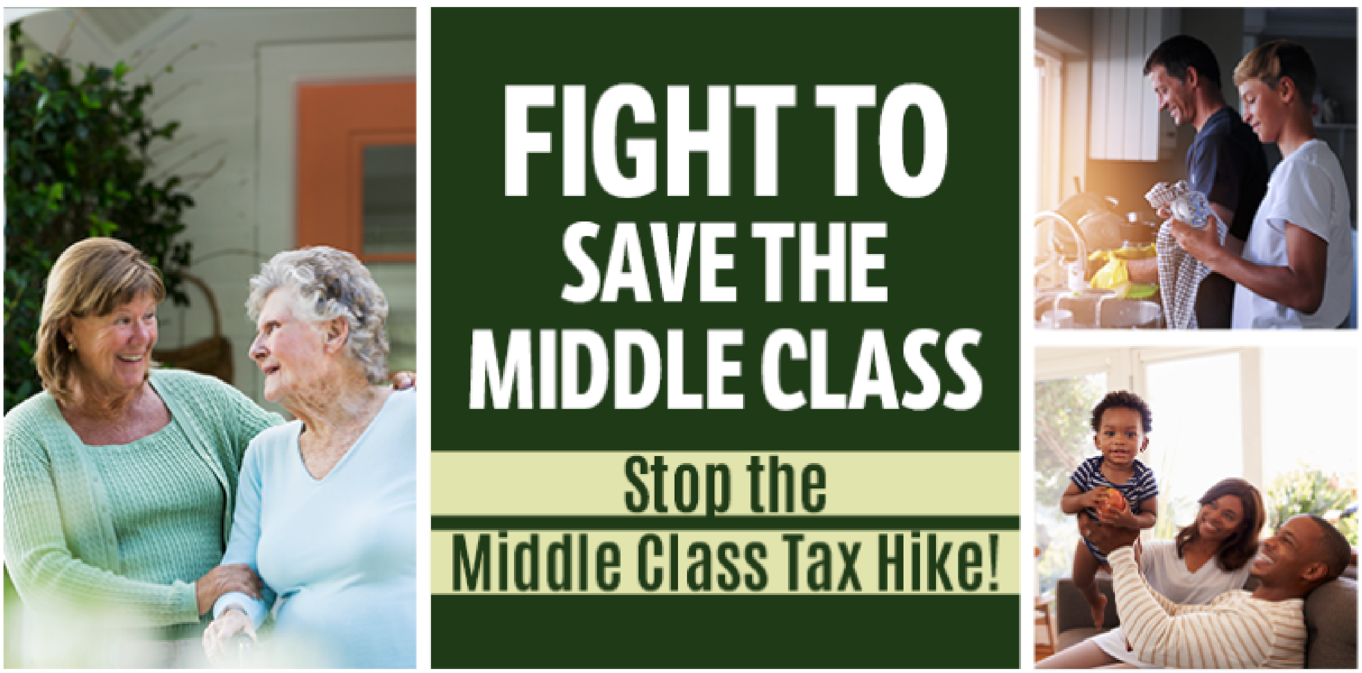

With discussions underway on a new state budget due by April 1, Senator Dan Stec (R,C,I-Queensbury) said keeping in place a tax cut for middle-income New Yorkers this year should come ahead of a taxpayer subsidy for film and television productions in New York State.

“The governor’s budget postpones a tax cut for families while favoring a tax credit for film and tv production studios,” said Stec. “Given the state’s finances, difficult choices need to be made but we should do our best to avoid bad ones. This is a bad one as far as I can tell.”

The middle-class income tax cut was adopted in 2017. It will reduce state income tax rates 20 percent when fully implemented in 2025, resulting in an annual $4.2 billion savings. Taxpayer savings this year are an estimated $394 million if the scheduled tax rate reduction is unchanged. The governor's executive budget would delay this tax relief for one year by "pausing" the rate reduction.

Stec said Cuomo's proposed budget, however, would not "pause" the $420 million Empire State Film Production credit and the Empire State Film Post Production credit. Production companies would continue to be eligible to receive a fully refundable credit of 25 percent of qualified production costs and post-production costs incurred for feature films, television series, relocated television series, television pilots and films for television.

"So many people through no fault of their own have lost their jobs, they have lost income and have lost their businesses due to the COVID shutdown. The $420 million production tax this year isn't going to benefit most New Yorkers. Instead, we should choose the middle-class for the tax relief they've been promised and so clearly need."

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