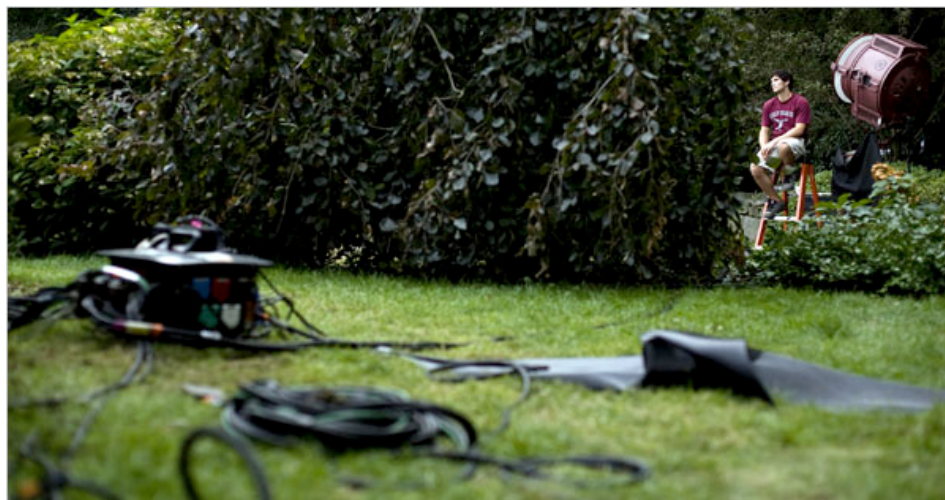




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Changed Tax Landscape Is Luring Film Crews



Christopher Capozziello for The New York Times

ON THE SET A crew for the film "Harvest" at work in Madison, Connecticut instituted a 30 percent tax credit in 2006 for filmmakers.

By ADAM BOWLES
Published: September 19, 2008

WHEN Grant DeSimone, 25, was growing up in New Canaan and then Greenwich, he dreamed of working in the film industry, a goal he thought would take him to Los Angeles or New York.

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Christopher Capozziello for The New York Times

HOLLYWOOD EAST? Efforts are under way to draw more studios.

"It ended up being an interesting benefit being from Connecticut and being able to shoot there," said Mr. DeSimone, who helped manage the logistics and select locations for the independent film starring Chazz Palminteri...

These days, Connecticut is rising in the ranks of locations preferred by producers nationwide, spurred by a 30 percent tax credit enacted in July 2006 that applies to digital media and motion picture production...

Nearby Rhode Island and Massachusetts offer 25 percent tax credits and, earlier this year, New York raised its credit to 30 percent in the state and 35 percent in the city to keep pace...

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Connecticut's General Assembly approved more film-production incentives, including spending \$2.6 million on a film training program that would provide hundreds of in-state certified union workers to studios.

Since the tax credit was enacted, the state has benefited from half a billion dollars in related spending from more than 70 feature films, commercials, documentaries and television shows, said George Norfleet, director of the Connecticut Film Division. That total is more than the amount spent in all of the previous decade. And for the first six months of this year, the state's film industry has generated about \$80 million in revenues, including that from seven feature films that have been completed or are in production.

[Wes Craven](#), director of "Scream" and "Nightmare on Elm Street," has filmed parts of a new thriller, "25/8," in Tolland, Kent, New Milford, Bridgeport, Norwalk and Stamford. [Rebecca Miller](#), a Roxbury native, returned to her home state to direct "The Private Lives of Pippa Lee," starring [Robin Wright Penn](#), [Keanu Reeves](#), [Winona Ryder](#), and [Julianne Moore](#). Filming took place in New Milford, Danbury, Fairfield, Brookfield and, of course, Roxbury, among other towns. And one year after filming "Righteous Kill" with [Al Pacino](#) in Connecticut, [Robert De Niro](#) returned this year for "Everybody's Fine," with [Drew Barrymore](#) and [Kate Beckinsale](#).

Connecticut may have the bucolic landscapes some producers are looking for, or the ample space for studios. It even has good urban scenery. But in truth, say those involved in the industry, there's one reason more films are being made here.

"It's all about the tax incentive, really," Mr. Norfleet said.

For instance, Blue Sky Studios, a digital animation studio that has produced the "Ice Age" series, "Robots," and "Horton Hears a Who!" is preparing to move from White Plains to a 105,000-square-foot building in Greenwich, bringing with it 300 jobs. In March, a study by the Connecticut Department of Economic and Community Development showed that 13 productions in Connecticut from January 2006 to September 2007 created the equivalent of 395 full-time jobs.

But not everyone is enamored with Connecticut's relatively new Hollywood role. Both Shelley Geballe, president of the nonprofit public policy group Voices for Children, and Robert Tannenwald, director of the New England Public Policy Center for the Federal Reserve Bank of Boston, have questioned in recent months whether the credits pay for themselves.

Ms. Geballe wrote a report on the tax program in which she asked whether the state had become "star-struck."

She said the tax credits were not analyzed regularly to determine whether the return on the investment was worth the state's efforts, and pointed to recent studies in Massachusetts and Rhode Island that indicated the credits there essentially amount to tax subsidies. Also, she said the tax structure was flawed because it does not include a cap on lost revenues and allows production companies set up as limited liability corporations — which don't have to pay taxes — to sell their credits to other companies in Connecticut that are not related to the entertainment industry.

A third complaint of hers is that state leaders have been quick to back the "glitz" of Hollywood while not showing the same support of other, possibly more profitable industries, like biotechnology or green technology.

Mr. Tannenwald has recommended, among other things, increasing the state's revenue department capacity to monitor cost reporting, capping the revenue losses, using a state agency to determine the tax credit recipients and eliminating the marketing of credits while allowing businesses to capitalize on partial credit refunds.

Still, House Speaker James A. Amann, Democrat of Milford, is helping lead the efforts to expand the state's entertainment industry, dubbing Connecticut, New York, Rhode Island and Massachusetts as "Hollywood East." For the last couple of years, these states have competed against one another. Now, he said, he planned to meet with legislative leaders in each of those states to discuss ways to compete with other states with active film industries. He also has another goal.

"Tax credits and big movies are fun, but it's more than that," Mr. Amann said. "You have to get the infrastructure here."

Earlier this year, Howard Baldwin, once a part-owner of the former Hartford Whalers ice hockey team, relocated his production company, Baldwin Entertainment Group, from Los Angeles to Sonalysts studio in Waterford. Mr. Baldwin, who produced "Ray," is working with [Robert Redford](#) on a feature film about the life of [Jackie Robinson](#). He said there were ballparks in the state that would be suitable



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locations for the movie. Mr. Baldwin said the financial incentives to working in the state have only opened the eyes of the industry to the array of suitable movie locations, all of which are close to New York. He said that in addition to creating a significant economic ripple effect, the industry is good for the state’s “self-esteem.”

“There’s the heartbeat, excitement and the creating of an environment that is promoting the state,” he said. “People can watch a movie and say, ‘Oh my God, there’s downtown Hartford,’ or ‘Oh, my God, there’s downtown New Haven.’”

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