



The Film and Television Production Industry in New York State

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Highlights

- Of all 50 states, New York has the second-largest film and television production industry (California has the largest).
- In 2008, 36,000 people in New York were employed directly by the film and television production industry (e.g., actors, editors, camera operators, studio mechanics, and building trades). In addition, the industry hires workers through payroll service companies and hires independent artists, writers, and performers.
- In 2008, the industry paid more than \$3.3 billion in direct wages in New York, 33.8 percent more than wages paid in 2004, and up to another \$1.7 billion through payroll service companies and to independent artists.
- The industry's economic impact is multiplied through its support of jobs in other areas such as catering, equipment rentals, and tourism.
- Kaufman Astoria Studios (KAS) is currently undergoing a \$22 million expansion that will add a seventh soundstage. KAS also plans to develop an outdoor backlot set.
- Silvercup Studios has announced a \$1 billion expansion with new soundstages and support facilities, as well as residential and commercial space.
- Steiner Studios is renovating to create additional space for production and support, and is developing an outdoor studio lot.
- Broadway Stages, which operates 15 soundstages at locations in Brooklyn and Long Island City, also has plans to expand.
- The Governor's office reports that the New York film production tax credit has generated \$6.98 billion in economic activity since 2004.
- Ernst & Young estimates that New York's film industry tax credits have had a positive impact on State and City tax revenues.
- The number of projects that applied for New York's film tax credit tripled in the 12 months after the credit was expanded in 2008.

The film and television production industry plays an important role in the economy of New York State, but states across the nation and certain Canadian provinces are aggressively competing for film and television jobs by offering tax incentives. These jobs pay well and the industry has favorable impacts on other sectors of the economy, such as tourism. In 2004, New York enacted its own industry tax incentive.

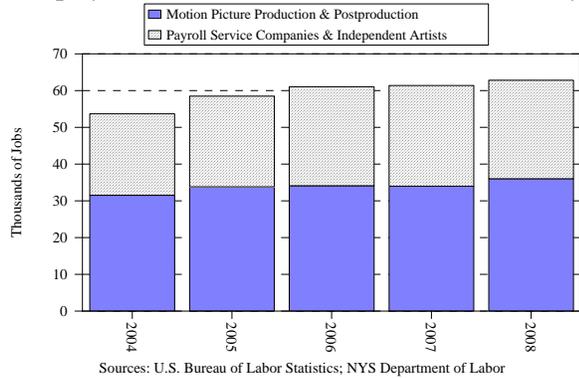
Of all 50 states, New York has the second-largest share of this industry (California has the largest). New York's association with the industry goes back to the early days of cinema before the development of Hollywood, when New York City was the country's premier filmmaking center.

Tracking the number of jobs in the film and television industry is difficult because of industry practices and data limitations. The North American Industry Classification System (NAICS) has established two job codes that are dedicated to motion picture and video production, and postproduction activities, but industry-related jobs are also reflected in other NAICS codes that cover broader job classifications.

According to the U.S. Bureau of Labor Statistics (BLS), the number of motion picture and video production jobs and postproduction jobs in New York rose by 14.2 percent between 2004 and 2008 to 36,000 jobs (see Figure 1).¹ About two-thirds of these jobs were located in New York City. New York State's share of U.S. employment in the industry rose from 14.8 percent in 2004 to 16 percent in 2008, reversing an earlier trend.

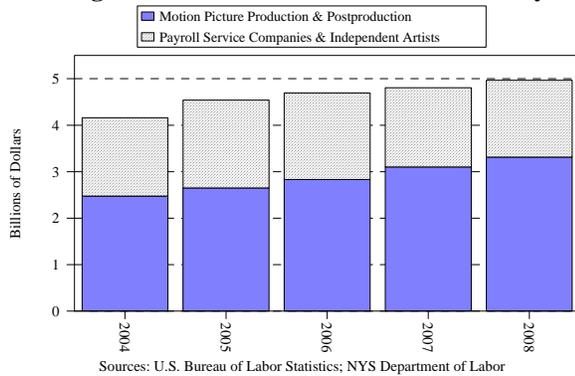
The industry also hires personnel through payroll service companies and hires independent artists, writers, and performers, who are not reflected in the aforementioned NAICS classifications. Much—but not all—of this hiring is related to the film and television industry. According to the BLS, the number of jobs in New York State in these categories grew by 20.9 percent between 2004 and 2008 to 27,000 jobs (see Figure 1).

Figure 1
Employment in NYS Film and Television Industry



In 2008, the film and television production industry paid more than \$3.3 billion in wages in New York, a 33.8 percent increase from the nearly \$2.5 billion paid in 2004 (see Figure 2). Wages totaled \$1.7 billion in 2008 in other film-related job categories.

Figure 2
Wages in NYS Film and Television Industry



Kaufman Astoria Studios (KAS) in Queens opened in 1920 and was the early home of Paramount Pictures. KAS has six soundstages with more than 400,000 square feet of production space. Silvercup Studios, also in Queens, opened in 1983. Silvercup has expanded in recent years; it is now the largest studio in New York City, with 19 stages and more than 410,000 square feet of space. Steiner Studios, in Brooklyn, which opened in 2004, offers five soundstages with nearly 100,000 square feet of space, including the largest stage outside of California.

Recently, the industry has been expanding outside of New York City. The Jacob Burns Film Center in Pleasantville (Westchester County) opened a 27,000-square-foot Media Arts Lab in December 2008. The new facility contains 16 editing suites, five film studios, an animation

studio, a recording studio, a soundstage, and a 60-seat screening room. Northrop Grumman’s Plant 5 in Bethpage, Long Island, has also been used for film production. In Lower Manhattan, Deluxe Entertainment Services Group recently opened a postproduction facility on Hudson Street.

California ranks first among the states for the number of jobs in the film and television production industry, and for the number of movies and television shows filmed. New York ranks second, for both jobs and the number of projects filmed. Several other states and some cities in Canada have significant film and television production industries—although much smaller than those in California and New York—and are aggressively seeking to expand by offering tax incentives. Currently, 42 states, Washington, D.C., and 11 Canadian provinces offer incentives.

In 2008, in response to increased competition from neighboring states, New York expanded its tax credit from 10 percent to 30 percent of the qualified production cost for qualified feature films and television episodes, pilots, and movies or miniseries. (Commercials, news programs, talk shows, documentaries, daytime soap operas, and reality programs are not eligible for the credit.)

The tax credit is not applied to the entire cost of production. Qualified costs exclude the costs of the creative team (e.g., directors, producers, writers, and cast members) and focus on the “hard costs” of production (e.g., crew salaries, equipment and facilities rental, construction, wardrobe, and catering) incurred in New York. Since New York’s tax credit is applied against only part of a project’s budget, the Governor’s office has estimated the effective credit rate at 18 percent of a project’s cost.

New York appropriated \$350 million for the tax credit in the current fiscal year, which ends March 31, 2010. The State is considering legislation that would extend the tax program through the 2014-2015 fiscal year. The Governor has proposed extending the tax credit for another five years (\$420 million annually) to ensure the stability and long-term growth of the film and television industry in New York State.

¹ Empire State Development estimates that the industry supports more than 100,000 jobs in New York State.