

[REDACTED]

From: Matthew Lumley [REDACTED]
Sent: May-05-15 10:35 PM
To: Office of the Legislative Counsel
Subject: Bill 108: Financial Measures

Dear Committee members:

I'm writing to ask you to leave the tax credit as is for the next 12 months, allowing time to properly consider any changes.

The solution you are currently proposing will have unintentional, negative consequences on our economy.

That consequence is not simply in terms of absolute dollars.

At greatest risk is the Nova Scotia labour content.

And Nova Scotia labour - jobs - should be government's number one priority.

Your proposed change - moving from the current labour-based credit to an all spend Alberta model - attacks the principal benefit of the tax credit to Nova Scotia.

That's because the film credit, in its current form, is designed to provide Nova Scotia residents with increased employment in both the film and related industries and from multiplier activity associated with production in these industries. The multiplier activity accounts for jobs and incomes earned from suppliers to the movie production industry (sound stage construction, catering, transportation, hair stylists, etc.) and from the spending and re-spending of the earnings that create demands for other goods and service suppliers throughout the provincial economy.

In other words, a production has an incentive to hire a Nova Scotian, because it's the best bang for their buck within the current labour-based credit.

The economic benefits to Nova Scotia residents are greatest if the production employees Nova Scotia residents.

That benefit is clear and self evident.

The change you are proposing puts that benefit at risk - the PRINCIPAL benefit of the film tax credit mechanism.

Absurdly, without a cap on the proposed new all-spend model, a potential outcome (although unlikely) may be to incentivize an increase in production activity inside Nova Scotia, but with less benefit to Nova Scotians.

You cannot want that.

It's clear more time and discussion is needed for everyone to understand the impacts.

I ask you to please take more time in considering any changes to the film tax credit.

While government had indicated they would take 5 years to review, 12 months seems a minimum amount.

Will you take 12 months to consider any changes?

Thank you for your response,
Matt

Matthew Lumley