

March 13, 2023

TO: Minnesota House Tax Committee
RE: In support of HF2059

Dear Members of the Minnesota House Tax Committee -

On behalf of the Duluth Area Chamber of Commerce and our nearly 1,000 members, we write in strong support of House File 2059 – to modify film production credit, increase the allocation and repeal the sunset.

We stand in strong support of our member, the Upper Midwest Film Office (UMFO). They are a nonprofit 501(c)(3) office dedicated to economic development in Northern Minnesota through film, tv and digital media content manufacturing. They have already demonstrated that the Minnesota Production Tax Credit has proven to be a success and has already had a profound, positive impact on our local economy in Northeast MN.

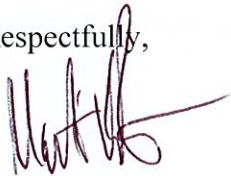
A recent study conducted by the University of Minnesota Duluth Bureau of Business and Economic Research - Labovitz School of Business and Economic concluded that **for every dollar of incentive money spent, an additional \$2.19 was also directly spent.** The study also showed that for **each \$1 of incentive money there is a \$6.90 return on investment.** In addition, because much of the spending of a project is on personnel and those people tend to spend their money in the local communities, as UMFO increases their local workforce, the region will see even larger economic impacts. These numbers are in line with other studies from states with growing programs like Utah, Massachusetts, Wisconsin and Oklahoma – which Minnesota is now competing with in terms of film production locations.

With that sort of proven return on investment, **now is the time to increase the program's funding.**

Furthermore, **we respectfully request repealing the sunset of the program so that studios who are interested in doing business in Minnesota have confidence the program will be around to set up productions for years to come.**

For these reasons and more, **we urge you to support HF2059.** Thank you for your consideration and service to our state. We are grateful for your leadership.

Respectfully,



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