Dear Governor Cuomo,

I write on behalf of the Citizens Budget Commission to encourage you to veto A.10083-b/S.7485-b. This bill would create new tax credits for music production and digital gaming media production, with both credits costing $25 million annually for the next three years. The total cost is estimated to be $150 million.

Please recall that when the Film Tax Credit Program was originally adopted, it was capped at only $25 million per year as well, but has grown since to a $420 million behemoth. If adopted, there will be pressure to continue expanding the music and digital gaming credits as well, despite evidence that these types of narrowly focused tax credits do not provide a return on investment and should be curtailed, not expanded.

The current proposal would also undermine the gains made by the Excelsior Jobs program by excluding music production and digital gaming media production from Excelsior. The Excelsior Jobs program does a better job than most economic development programs at providing short-term benefits to help nascent companies and industries become established. Excluding the music and gaming industries from the scrutiny of criteria applied under the Excelsior program signals these industries would not withstand examination and should therefore not receive State subsidies.

Matters of tax policy that have significant budget implications should be dealt with in the midst of budget negotiations and an overall financial plan, as you have outlined in many previous veto messages. Please veto this bill.

Sincerely,

Carol Kellermann
President