

WASHINGTON, D.C. – Representative Xavier Becerra (CA – 31), the Assistant to the Speaker of the House and the only congressional member from Southern California on the Committee on Ways and Means, introduced legislation yesterday that aims to protect moviemakers by attracting film and television production projects back to the United States. The bipartisan "Runaway Productions Prevention Act of 2007" (H.R. 3951) creates permanent incentives for producers to make movies here by allowing an immediate write-off for the first \$15 million of production costs, regardless of the size of production. This \$15 million limit expressly excludes participation and residual payments, which are payments made to actors, directors and other creative talent based on the revenue generated by a film or television project.

"Runaway production has cost our economy thousands of well-paying, high-skilled jobs and billions of dollars," Rep. Becerra said. "When we make movies domestically, it has a profound economic and cultural impact in our communities."

"Our nation's leading role in the global film industry is being threatened," Rep. Devin Nunes (CA-21), the bill's cosponsor, said. "Several nations around the world are offering production incentives that have made Hollywood less competitive. This is a travesty because there is no question that professionals in the United States have the talent and determination to continue to lead in global film development. I hope congress will act to preserve this important part of our nation's heritage by passing tax relief in support of U.S. film development,"

This legislation is supported by both the Screen Actors Guild (SAG) and the Directors Guild of America (DGA), which collectively represent over 130,000 professionals in the movie industry.

"The Screen Actors Guild is very appreciative of the leadership of Congressmen Becerra and Nunes in sponsoring this extremely important bill," Pamm Fair, deputy national executive director of SAG, said. "By bringing certainty to the production process, the production incentives contained in this legislation will go a long way toward keeping a full range of television and film jobs here in America. SAG is hopeful that congress will act swiftly to pass this bill."

"This legislation introduced by Congressmen Becerra and Nunes underscores their recognition of the importance of extending and strengthening the domestic film production incentive contained in Section 181," Kathy Garmezy, assistant executive director of the DGA said (Section 181 refers to the section of the tax code that H.R. 3951 would amend). "The proposed

legislation solidifies the original intent of congress to address the problem of runaway film and television production through the American Jobs Creation Act of 2004. The Directors Guild of America supports the congressmen's efforts to provide congress with an opportunity to ensure that our industry remains strong and healthy."

The 31st District of California includes parts of Hollywood, the capital of the American film industry.

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