

**SENATE TAXATION**EXHIBIT NO. 11DATE 4-12-05BILL NO. HB 584

April 11, 2005

Senate Taxation Committee  
Montana State Capital  
P.O. Box 200400  
Helena, MT 59620-0400

Dear Chair & Members of the Committee:

I have been employed (in Montana) in the film and television production business for more than twenty years. In 1995, I founded Out in the Cold Productions and now feel very fortunate to routinely produce news, sports and entertainment programs for the major television networks and numerous cable channels. Additionally, we produce commercials, infomercials and corporate videos for many high profile Montana and national/international clients.

Last year I delivered a screenplay which I had co-written to a well known actor/director. He is now in another country co-starring in a major studio film. But before he left, he committed to produce and direct our film, a contemporary Montana story with a working title of "(406)". He has hired an executive producer with an enviable list of film credits and "(406)" is currently in pre-production. We also have a commitment from a very "bankable" actor in one of the lead roles. It is our combined intent to produce this film in Montana and have a scheduled starting date of July 10, 2006. Money to fund this picture will come from Los Angeles sources.

I am not from Hollywood, nor do I ever want to be. I am by no means a mogul. Rather, I am a Montana small business owner and taxpayer. House Bill 584, known as the "Big Sky on the Big Screen Act," is a jobs bill that will invite a very clean industry to come to Montana where they will hire Montanans and purchase goods and services from Montana businesses just like they did in 1991 when the Tom Cruise film "Far and Away" left \$7 million in direct expenditures in the Billings area.

The motion picture business, like any other business, is designed to make a profit. We all hear about their mega-hits, but most people are not aware that the vast majority of films lose money. Making a movie is about as risky as it gets, so when Canada decided in the early 1990's to offer incentives to "Hollywood" it worked like crazy. Montana saw production dwindle to last year's record low. Most other states who have "what Hollywood is looking for" have passed legislation similar to HB 584 and, for them, the playing field has been leveled. New Mexico is a good example. It is my request that anyone who is not completely convinced that Montana and Montanans will significantly benefit from the passage of HB 584, please call the New Mexico Film Office, (800) 545-9871 -or- email: film@nmfilm.com. Montana can restore its film production business simply by being competitive.

What does it cost to be competitive? If no films come, it costs nothing. When films do come, the increased revenue from income taxes will more than equal the incentives returned to the producers. Please do not look at HB 584 as a political issue. Had Secretary of State Bob Brown been elected governor, he planned to propose virtually the same bill.

Canada's incentives have had a profound effect. In 1993, "Legends of the Fall" was produced in Canada although its story took place in Montana. In 2000, "Knockaround Guys" was produced in Canada although its story also took place in Montana. In 2002, Kevin Kostner wanted to shoot "Open Range" in Montana. Montana had no incentives. "Open Range" went to Canada. There are many more cases, but the fact is Montana was not competitive. Producers had a better chance of making a profit if they went to Canada.

With your support of HB 584, the motion picture business will return to Montana much like it has for many other states who have seen fit to offer competitive incentives. Thank you for your consideration and please do not hesitate to call me if you have any questions.

Sincerely,

Jim Abel, President  
Out in the Cold Productions  
3665 Fort Laramie Drive  
Billings, MT 59102  
(406) 652-1352  
Jimoutcold@aol.com

February 15, 2005  
Montana Film Commission

To Whom It May Concern:

I am writing this letter to express my interest in bringing "The Beginning of Wisdom" to Montana. Since I first became involved with this project, I have hoped that this film would be made in the state it was written for. And as a part-time resident, and full-time fan of Montana, it is my intention to maintain as much of the script's integrity as possible. I know I can speak for all involved when I say that this is an exceptional script that we all have the highest hopes for. We want it to look, feel, sound, taste like Montana in the summer of 1969.

Both John and Matthew Perry feel that Montana is not only the location of this story, but also a character in and of itself, and they would do anything to bring this project to its rightful home.

We simply cannot turn down an offer from out of the country that will save us money enough to put into other aspects of the film. Our aim is, of course, to make the best possible movie with what money we have, and what is *not* spent on the logistics of production can, for example, be put into one more day of shooting, those expensive but exceptional aerial shots of the countryside, or securing precise period vehicles

Help us bring the American western back to America.

Hopefully,

Howard Deutch  
Director



**TJ Lynch**

10782 Terecita Rd.  
Tujunga, CA 91042-1465

- phone: (818) 352-0109
- fax: (818) 293-1693
- email: thinkzippy@comcast.net

January 24, 2005

Dear Montana Legislature,

I am writing to you today in support of the "Big Sky on the Big Screen Act." I am the writer of a screenplay entitled "The Beginning of Wisdom," a story set in and about Montana. Sten Iverson and the Montana Film Office has been working tirelessly with our producers in an effort to bring the production to Montana this Summer. As a native Montanan and graduate of Montana State University film school, nothing would please me more. If the Act passes, it's a near certainty the film will indeed shoot there. Should it not pass however, budgetary realities will most likely make it necessary to shoot across the border in Saskatchewan as was originally budgeted.

I have a second script entitled "The Froggy Doo Show" that is scheduled to go into production this Summer as well. Also set in Montana, it's a story based on legendary Billings kiddie's-show hosts Happy Herb and Froggy Doo, specifically the incident in 1969 in which string puppet Froggy Doo was actually kidnapped and held for ransom. It's being cast as I write. Unfortunately, it too will likely shoot in Canada, or perhaps in Louisiana where they've instituted their own film tax incentives, should the "Big Sky on the Big Screen Act" fail to pass. I have two other projects in various states of development as well, both based on historical incidents in Montana, both with name producers attached. And at this moment I'm writing my fifth Montana-themed story.

Indeed, my home state has been a treasure trove of both inspiration and material. I draw my work from its people, from their stories, from their way of life. I set my films on its snow capped mountains, in its little towns, on its trout streams and under its vast blue sky. It only seems fair, does it not, that the people and the places I write about should be the ones to benefit from their own stories.

I know there are those who consider tax credits for the film industry a giveaway to the rich. But contrary to what some may think, the majority of movies actually lose money. It's an incredibly competitive and capital intensive business. However, the communities in which films are shot, by way of both employment and economic stimulus, always make out in the black. Let us be pragmatic for a moment. Would Canada, Louisiana, and now New Mexico grant film tax incentives if it weren't a net positive?

Isn't it an irony that MSU graduates a raft of film school students each year, and almost to a person they're forced to pack up and head for the coast because there's no appreciable film activity in the state anymore? I believe that, if the "Big Sky on the Big Screen Act" were enacted, Montana would indeed again reign as Film Capital of the West as Governor Schweitzer suggested in his State of the State Address.

Like all the others, upon graduation I was forced to relocate to Los Angeles where I reside today. But Montana is and always will be my home. Our state is rich in history, strong in spirit, but at times has been short sighted to the detriment of its own citizens. I respectfully suggest it's time to stop outsourcing our stories, our college graduates, and our economic benefits to other states and foreign lands.

Thank you for your time.

TJ Lynch  
Screenwriter - "The Beginning of Wisdom"  
"The Froggy Doo Show"

# FIREBRAND

P R O D U C T I O N S

March 17, 2005

Mr. Brian Schweitzer  
Governor  
State Capital  
Office of the Governor  
1301 East 6<sup>th</sup> Avenue  
Helena, MT 59620

**RECEIVED**

MAR 21 2005

**GOVERNOR'S OFFICE**

**RE: MOVIE TAX CREDIT BILL**

Dear Mr. Schweitzer:

I am a film and television producer, originally from Montana, who has long wanted to shoot movies in my own home state. But have yet to realize that dream as it's been cost prohibitive to do so, as you know.

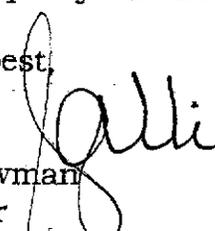
I was thrilled to hear about the strides you've made toward implementing a tax credit which would enable filmmakers to choose Montana as their destination location for filming. I know the tax credit bill hasn't yet passed. But I wanted you to know two things: 1) that I would like to do whatever I can to help in the effort to make this tax credit happen and 2) that I have a television movie I very much want to shoot in Montana, but can't even entertain the thought without such a tax credit in place. Let me take a moment to tell you about my upcoming movie...

I have secured the rights to a true story about a family who lives in northern Montana. I have the financing in place to make the movie. I have a television network committed to airing it. I am developing a script. And now, I am turning my attention toward "where I'm going to shoot this movie." I would be ecstatic if I could shoot it in Montana.

This story is an inspirational drama set in Montana, about a Montana family. What better way to kick off the publicity machine of attracting more filmmakers to Montana, than to host a movie *set in Montana about Montanans!* And I can assure you it's a movie you would be proud to stamp "*Made in Montana.*"

As a visionary, you're the kind of person I want to be in business with. What can I do to help in your efforts to push this tax credit bill through?

All the best,

  
Salli Newman  
Producer

Email address: [Sallinewms@aol.com](mailto:Sallinewms@aol.com)