May 11, 2025

President Donald J. Trump
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear President Trump:

We appreciate and thank you for the support you have shown our industry. We also appreciate your understanding of the need to increase domestic film and television production to bring back American jobs and write seeking your support for the inclusion of three film and television industry priorities in the reconciliation package currently being drafted in Congress – Internal Revenue Code sections 199, 181, and 461.

We are a coalition comprised of creative industry unions and guilds collectively representing nearly 400,000 creative professionals that comprise the directorial, technical, and artistic teams that power the American film and television industry; film, television, and streaming studios and independent production and distribution companies with a $15.3 billion trade surplus powered by $22.6 billion in exports to every major international market; and your Hollywood ambassadors, whose leadership has helped us unite in support of these common goals.

Film and television productions are highly valuable projects for local communities across all 50 states. The average film shoot spends more than $670,000 each day on location and employs nearly 1,500 people, while an average TV series injects $49 million into a local economy. Film and television production spending also directly benefits workers and small businesses – more than 90% of vendors paid by productions employ 10 or fewer people, including caterers, lodging, equipment rental, transportation, and many others.

Over the past two decades, countries around the world have recognized the value of film and television productions and have increasingly offered significant incentives to attract projects and the high-paying jobs and local cash infusions they bring. Currently, more than 80 countries offer production tax incentives and as a result, numerous productions that could have been shot in America have instead located elsewhere. Returning more production to the United States will require a national approach and broad-based policy solutions, including those we propose below as well as longer term initiatives such as implementing a federal film and television tax incentive.

In order to achieve our shared goal of seeing domestic film and television thrive we would highlight three matters of particular importance that can be enacted through the current budget reconciliation process. These potent tax measures would immediately make America more competitive, expand the American media industry, brings jobs back to America, and support the independent spirit of American business:

1. **Section 199 (Domestic Manufacturing and Production Incentive)**

    - We strongly support your proposal to create a new 15% corporate tax rate for domestic manufacturing activities (down from the current 21% rate), using the old Section 199 manufacturing deduction regime as the model.
    - Under the old Section 199, which expired in 2017, films and television productions that were made in the United States qualified as domestic manufacturing and were eligible for the tax deduction – and have historically promoted significant economic and job growth.
    - Despite longstanding American dominance in film and television production, foreign countries have successfully lured high-value productions and associated jobs with aggressive incentive programs and have built infrastructure rivaling the U.S. A domestic production incentive would make the U.S. market more competitive and able to retain and return high-paying jobs tied to film and television productions – and the use of this deduction has historically promoted significant economic and job growth.
    - As Congress seeks to reshore American jobs and promote growth in communities across the country, we ask for your support in urging lawmakers to include film and television productions made by workers in America in a domestic manufacturing and production incentive.

2. **Section 181 (Expensing for American Film and Television Production)**

    - Congress first enacted Section 181 in 2004 to encourage domestic film and television production. Set to expire on December 31, 2025, we ask that a longterm extension and expansion of this provision be included in the reconciliation package. Doing so represents an important step in keeping film and television production jobs in America.

- Currently, Section 181 allows up to $15 million of qualified film & TV production expenses to be deductible in the year incurred (or up to $20 million if produced in low-income or economically distressed areas). As these limits were initially set in 2004, we also ask that the caps on production expenditures be raised to $30 million (or up to $40 million if produced in low-income or economically distressed areas). We also believe that it is important to re-affirm the original intent of Section 181 that it be made available to investors.
- To qualify, a production must spend at least 75% of its labor compensation in the United States. Without Section 181, deductibility would begin only after a project is released to audiences, which can often be years after a production wraps up. The accelerated deductibility afforded by Section 181 reduces the cost of capital, provides cash flow certainty, and allows producers on tight budgets to green light productions that might not otherwise be made.
- Section 181 provides important safeguards to preserve U.S. production, especially for television series and for smaller budget and independent films. The global production landscape has evolved significantly since 2004, and Section 181 encourages domestic production and benefits American workers and small businesses. For these reasons, Congress has repeatedly ensured that the Section 181 domestic production incentive has remained in effect continuously for twenty years and we ask for your support that it be extended again now.

3. Section 461 (Carry Back of Net Operating Losses)

- The Tax Cuts and Jobs Act repealed the ability of businesses to carry back losses, but the Coronavirus Aid, Relief, and Economic Security (CARES) Act enacted at the onset of the pandemic reinstated and expanded the carry back period for net operating losses (NOLs) to 5 years, but only through 2022. Businesses that have greater fluctuations in their income, such as film production companies that invest large amounts in films that may or may not pay off, need the ability to spread losses back to more profitable years in addition to carry losses forward. Our tax system generally allows businesses to spread losses and gains over a period of years to arrive at a stable and consistent calculation of taxable income. Reinstating the ability to carry back losses will allow businesses to use their own profitable years to offset later losses, resulting in greater financial stability. The UK and Australia have had similar provisions and those provisions attracted significant production investment.

We thank you for the support you have shown our industry. With your endorsement, these policy initiatives will help preserve and create American jobs, bolster local economies across the country, and ensure America remains the global leader in entertainment production.

Sincerely,

Jon Voight
United States Special Ambassador to Hollywood

Sylvester Stallone
United States Special Ambassador to Hollywood

Russell Hollander
National Executive Director
Directors Guild of America

Matthew D. Loeb
International President
International Alliance of Theatrical Stage Employees

Sean O’Brien
General President
International Brotherhood of Teamsters

Charles H. Rivkin
Chairman and Chief Executive Officer
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Duncan Crabtree-Ireland
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Screen Actors Guild-American Federation of Television and Radio Artists

Sam Wheeler
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Writers Guild of America East

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