



House Committee on Taxation

Monday, February 13, 2023

Support of House Bill 2182 - the Kansas film and digital media industry production development act

Thank you, Mr. Chair and members of the House Committee on Taxation, for the opportunity to support the HB 2182, the Kansas film and digital media industry production development act.

For more than 100 years, family-owned Hallmark Cards, Inc. has been dedicated to creating a more emotionally connected world and making a difference in the lives of others. Headquartered in Kansas City, Missouri and employing 20,000 worldwide, our approximately \$3.8 billion company operates a diversified portfolio of businesses, including:

- Hallmark Global, which sells greeting cards, gift wrap, and related products in more than 30 languages with distribution in nearly 100 countries and 100,000 rooftops worldwide, including a network of company-owned and independently-owned Hallmark Gold Crown stores in five countries;
- Crayola®, which offers a wide range of art materials and creative play toys designed to spark children's creativity around the globe;
- Crown Center, our real estate development company that manages the 85-acre hotel, office, entertainment, and residential campus surrounding Hallmark's headquarters; and
- Hallmark Media, which operates three linear cable channels: Hallmark Channel, Hallmark Movies & Mysteries, and Hallmark Drama. Hallmark Media also features Hallmark Movies Now, a subscription video on-demand streaming service, and Hallmark Publishing, a leading publisher of uplifting eBooks, audiobooks, and print editions.

Hallmark Media is the country's leading entertainment destination for feel-good movies and scripted series. Rooted in positivity, joy, caring, and human connection, the company's content features rich, diverse storytelling that reflects a range of cultural backgrounds, ethnicities, races, religious beliefs, orientations, and lifestyles.

Hallmark Media is especially well known for its annual immersive holiday initiatives, which have become a pop culture phenomenon – including original seasonal movies, food and wine, games, home décor, holiday decorations, clothing, music, books and more – that attract and bring together millions of enthusiasts every year.

In fact, Hallmark Channel has registered as the most-watched entertainment cable network in Fourth Quarter among Women 18+ for eight consecutive years; Women 25-54 for six consecutive years; and Households and Total Viewers for five consecutive years.

Hallmark Media made 92 movies in 2022. While the majority of our filming was done in Canada, a location with generous film tax credits, we are beginning to grow our U.S. presence as more states offer competitive film tax credits. In 2022, we shot nine movies in Utah, Connecticut, North Carolina, South Carolina and Hawaii.

Hallmark supports HB 2182 it would allow us to consider Kansas as a film production site. Without film tax credits, we are unable to shoot and live within our budget parameters. Tax incentives are the main driver in our decision where to shoot; we adjust the creative to fit the state with the best tax incentives.

Thank you for your consideration.

Erin Brower, Sr. Director Government Affairs

Hallmark Cards, Inc.

2501 McGee Trafficway MD 853

Kansas City, MO 64108

Erin.Brower@hallmark.com