

OHIOSOUNDS MUSIC INDUSTRY TAX INCENTIVE

Building on our musical legacy to spur innovation and growth here, at home.

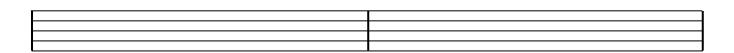
From the historical branding of "Rock N' Roll" to our state's cultivation of artists and performers, Ohio is well documented as a leader in musical excellence. Ohio is the birthplace of successful artists from across the musical spectrum, from The Black Keys and Dave Grohl, to Bootsy Collins and Dean Martin.

In 2014, the US Recording Industry posted annual sales of \$6.9 billion. We want some of that investment here in Ohio—to create jobs, drive growth and spur innovation.

OhioSounds, also known as The Ohio Sound Recording Investor Tax Credit, will drive economic growth and create jobs in the competitive music industry.

OhioSounds will grant a 25 percent tax credit for sound recording production projects in the state. The incentive would also refund 25 percent of music studio construction and recording infrastructure costs. To qualify, sound production costs must exceed \$5,000 per project, with a maximum tax credit of \$50,000 per project and an annual tax credit cap of \$3 million.

OhioSounds will not only solidify the state's commitment to our musical legacy, but will help encourage further creative endeavors from Ohio musicians while driving economic growth in a competitive industry and making Ohio a destination for musicians and producers.



OHIOSOUNDS BACKGROUND

Representatives Kent Smith (D-Euclid) & Sarah LaTourette (R-Bainbridge)

OhioSounds is modeled after a similar tax incentive in the state of Louisiana. The two-tiered Louisiana incentive provides a 25 percent tax credit for music production projects recorded within Louisiana; state residents can earn the 25 percent tax credit after \$5,000 worth of production related expenditures and non-Louisiana residents can take advantage of the same tax credit after \$15,000 worth of production expenditures. There is no maximum credit award cap per project.

The OhioSounds proposal differs in two ways:

- 1. The tax credit is the same for Ohio resident and non-resident alike.
- 2. OhioSounds caps tax incentives at \$50,000 per project.

A similar proposal was also recently introduced as part of the New York State budget.

In recent years, state lawmakers established the Ohio Film Production Tax Credit to steer filmmaking production to the state. In its first two years, the film industry tax credit attracted \$119 million in spending and 1,100 full-time jobs in Ohio—money and jobs that the state would not have seen otherwise. Since then, the program has continued to create thousands of good-paying jobs and generate hundreds of millions of dollars in Ohio's economy.





OHIO'S MUSICAL ROOTS RUN DEEP AND WIDE

Aside from being home to the nation's Rock & Roll Hall of Fame, Ohio's groundbreaking musical legacy includes the first widely attended "Rock N' Roll" concert, 1952's Moondog Coronation Call, started by legendary Cleveland disc jockey Alan Freed.

Cincinnati's King Records brought the nation new sounds in the 1940's through its catalogue and cultivation of Country and Rhythm & Blues artists.

Cleveland's Wings Over Jordan Choir, founded at Gethsamane Baptist Church in 1935, was the first fulltime professional black choir in America and holds the distinction of being one of the first to perform to non-segregated audiences.

As Ohio's musical influence grew over the decades, so too did music's business and educational ties. Ohio is home to over 320 recording studios and one of the nation's 12 vinyl pressing businesses— one of only 24 in the world. And Ohio colleges like Oberlin, Baldwin Wallace, Denison, Kent State and Tri-C are modernday partners in the industry, turning out America's next generation of musicians, producers, engineers, arrangers, orchestrators and writers.

Ultimately, OhioSounds will strengthen these ties in a competitive industry while driving economic growth and keeping the best and brightest where they belong—at home, in Ohio.



OHIO'S SOUNDS

Groups and artists with roots in Ohio

98° (Cincinnati) Art Tatum (Toledo) The Black Keys (Akron) Bootsy Collins (Cincinnati) Bow Wow (Columbus) Dave Grohl (Warren) Wild Cherry (Steubenville) Dean Martin (Steubenville) Devo (Akron) Doris Day (Cincinnati) Foxy Shazam (Cincinnati) The Isley Brothers (Cincinnati) John Legend (Springfield) Kid Cudi (Cleveland) The National (Cincinnati) The O'Jays (Canton) The Pretenders (Akron) Rascal Flatts (Columbus) Twenty One Pilots (Columbus)

Walk the Moon (Cincinnati) Marilyn Manson (Canton) David Allan Coe (Akron) Joe Walsh (Kent) Nine Inch Nails (Cleveland) Angela Perley & The Howling Moons (Columbus) Guided By Voices (Dayton) Tracy Chapman (Cleveland) Foster The People (Chagrin Falls) Phil Keaggy (Youngstown) Ohio Players (Dayton) Bone Thugs-n-Harmony (Cleveland) Teresa Brewer (Toledo) Billy Strayhorn (Dayton) Phil Ochs (Columbus) Jim Brickman (Cleveland)

Dorothy Dandridge (Cleveland) Crystal Bowersox (Elliston) Nancy Wilson (Chillicothe) Al Jardine (Lima) James Levine (Cincinnati) Macy Gray (Canton) L.A. Reid (Cincinnati) Kim Deal (Dayton) Kathleen Battle (Portsmouth) Robert Lockwood Jr. (Cleveland) Gerald Levert (Cleveland) Johnny Paycheck (Greenfield) Dwight Yoakam (Columbus) Danny Thomas (Toledo) Boz Scaggs (Canton) Roy Rogers (McDermott) The Raspberries (Cleveland) The Dazz Band (Cleveland)



Eric Carmen (Cleveland)

"Screamin" Jay Hawkins (Cleveland)



OHIO MUSIC INDUSTRY PROFESSIONALS ON OHIOSOUNDS

What they're saying

Lee Kopp, **President of Kopperhead Compositions, Inc.**, a thirty-nine year old recording studio in North Canton and adjunct Music faculty at **Kent State University**:

"As a small businessman having operated Kopperhead Compositions in North Canton for 39 years, I have worked with hundreds of musicians, music producers & engineers from across Ohio. I have taught Ohio's future recording engineers for Kent State's music technology degree. I have also seen musical success personally, within my own family, as my youngest son is the keyboard player for the band Third Eye Blind - which is currently on a US tour. This proposed incentive will go a long way in helping Ohio's recording musicians move forward as they strive to achieve their dreams and goals."

Angela Perley, member of the Columbus-based independent roots-rock band, **Angela Perley & The Howlin' Moons:**

"We are currently recording our second full-length album and believe that OhioSounds could be invaluable to independent artists like us and music production studios throughout Ohio. Recording is very expensive and the music business is brutal so I feel like a lot of musicians and studios get frustrated by the financial burden and debt it places on them. OhioSounds would help relieve some of the strain on musicians and studios and would encourage growth in the music community and industry here. What if Ohio could become the next Music City? We know so many artists that OhioSounds would help out and we know so many artists that deserve quality recordings but haven't had a helping hand to make that possible. My bandmates and I have a lot to be proud of and we are very thankful for all the support we have received over the years from our home state. We love to play music, and will play music and record music no matter what the obstacle, because it is something we believe in and something we love. I know that OhioSounds can help us and many others on our journey to take our art and passion to the next level."

Tyler Verhagan, lead vocalist and guitarist of local Columbus rock band Emily & the Complexes:

"My band has divided past recording projects among studios in Ohio, Georgia and up to New York City. Our decision was based both on financial considerations as well as wanting to work in a well-established creative community that would help bring out our best. The OhioSounds tax credit would help level the playing field for emerging artists and allow local musicians to stay in Ohio as they develop and grow."

Tom Atha, Owner of Earthwork Recording and Assistant Professor of Audio Production, Denison University:

"The industry is undergoing a colossal shift in funding, distribution, label structure and involvement. The current growth of independent music is incredible, and industry giants have been perplexed by how to readapt themselves. There is an opportunity like never before to compete with big music cities. The tax credit incentive would make Ohio competitive at this very critical moment."

Jeff Morris, 44-year Owner of **JMO Music Studios** based in Columbus:

"The Ohio Sound Recording Investor Tax Credit Incentive is an excellent means to promote the music business in Ohio. It will encourage Ohio musicians to remain here, and attract musicians from outside Ohio to come here for all of their recording and production needs."