



**Senate Assessment and Taxation Committee  
Proponent Testimony SB 227  
Todd Halstead, Theatre Owners of Mid-America  
March 2, 2023**

Chair Tyson and Members of the Committee:

Thank you for the opportunity to submit written testimony in support of Senate Bill 227, which would allow movie theaters to retain the state sales tax collected on the admissions charged for viewing movies and on concessions sold from July 1, 2023, to July 1, 2025. There are approximately 60 cinema companies operating more than 450 screens at over 90 locations across the state. These Kansas movie theater owners and operators thank our lawmakers for their leadership throughout the COVID-19 crisis. Programs ranging from the greatly appreciated SPARK grant for movie theaters to the SBA Shuttered Venue Operators Grant were integral to our industry’s ability to bridge the darkest days of the pandemic. Industry analysts, however, say it will be at least 2024 before theatrical attendance in the United States comes even close to pre-pandemic levels. SB 227 would greatly help Sunflower state cinemas during the industry’s post-pandemic recovery period.

The impact of government mandates during the pandemic—ranging from closure orders and capacity restrictions to requirements for social distancing and mask-wearing—has been significant for the movie theater industry. Almost no other industry has experienced more continued disruption than our nation’s cinemas, which have lost more than 3,000 screens since the beginning of the pandemic. Movie theater revenues plunged by 80 percent across Kansas and the rest of the country in 2020. The industry was still down by more than 60 percent in 2021 and 30 percent in 2022.

Analysts predict the industry will not return to pre-pandemic film release numbers until 2025 because of film delays and production backlogs. Tax relief would provide a critical lifeline to help movie theaters until blockbusters consistently return to our screens. Movie theaters are economic anchors in communities across the state where businesses and jobs are often few and far between. From Main Street to suburbia to our urban centers, cinemas invigorate neighborhoods, drive foot traffic to local businesses, and foster cultural vibrancy. Our industry also gives first-time workers invaluable job experience with the potential for rapid advancement. Cinemas are also leaders in the employment of people who identify as disabled and senior citizens—individuals typically underrepresented in the workforce.

Taking action to help save our cinemas will play a significant role in recapturing the way we as a state shared experiences before the global pandemic. Please continue to help write our comeback story. Thank you for your attention to this critical legislation.

Respectfully,

Todd Halstead

Theatre Owners of Mid-America

202-870-8150 // [todd@TOMAonline.org](mailto:todd@TOMAonline.org)