

March 2, 2023

Senate Assessment and Taxation Committee  
Written Proponent Testimony SB 227  
Derek Hein, AMC Theatres

Chairwoman Tyson, Vice Chairman Peck, and members of the committee:

On behalf of AMC Theatres, the largest theatrical exhibitor in the State of Kansas and the United States, with its corporate headquarters located in Leawood, Kansas, we respectfully request that you support SB 227. SB 227 would allow movie theatres to retain the state sales tax collected on the admission charged for viewing movies and on concessions sold beginning on July 1, 2023 and ending prior to July 1, 2025.

Although many businesses were greatly impacted by the pandemic, movie theaters were hit extremely hard. Operation of our locations is very capital intensive, requiring large spaces in desirable and expensive locations, as well as significant investment in technology.

The impact of the pandemic is still affecting our industry. During the height of the pandemic, we had to close all of our locations and borrow significant amounts of funds. Since the pandemic we have had to close 67 locations. AMC is also taking excess auditorium space dark due to a lack of movies and to reduce operating costs.

Another major issue is that Covid cut the theatrical pipeline of new movies being produced by 50% and it has taken time for movies to return to our screens adding additional pressure.

Our industry has seen many exhibitors seek bankruptcy. Vue theaters, the 6<sup>th</sup> largest global chain filed for bankruptcy, Cineworld/Regal the 2<sup>nd</sup> largest global chain is in chapter 11 bankruptcy and Pacific Arlight and New Vision were liquidated in bankruptcy.

Being able to retain the funds outlined in SB 227 is very important to us at this pivotal time as we work to recover and protect jobs in our state. Movie theaters are economic anchors in many communities across the state, providing job opportunities to many Kansans, driving foot traffic to neighboring restaurants and businesses, and fostering cultural vibrancy.

Thank you for your consideration of this important matter.

Sincerely,

Derek Hein  
On behalf of AMC Theatres  
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