US politics & policy

'It's just crazy': Donald Trump's push to make Hollywood great again

Film industry says the president's vague plan for levies on foreign production would do more harm than good

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Anna Nicolaou and Christopher Grimes in New York and Daniel Thomas in London

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Over a six-decade career in Hollywood, Jon Voight has played an aspiring gigolo (*Midnight Cowboy*), won an Oscar for Best Actor (*Coming Home*) and, at the age of 76, been awarded a Golden Globe.

Now, the 86-year-old Voight has taken on another role that has generated plenty of drama: "Special Ambassador to Hollywood" for the <u>Trump</u> administration.

If the role was meant to be ceremonial, Voight, a longtime conservative, did not get the memo. Last weekend, he visited US President Donald Trump at his Mar-a-Lago compound to pitch a plan to "make Hollywood great again" — a conversation that sparked a week of anxiety in the global film industry.

Just hours after their meeting, Trump took to his phone, posting that he would intervene to save Hollywood from "a very fast death" by instituting a 100 per cent tariff on <u>movies</u> coming to the US that were produced in "Foreign Lands".

Shares in Netflix, Disney, Warner Bros Discovery and Paramount plummeted the next morning, shedding \$20bn in market value.





Jon Voight, Steven Paul and Scott Karol meet Donald Trump at Mar-a-Lago © Steven Paul

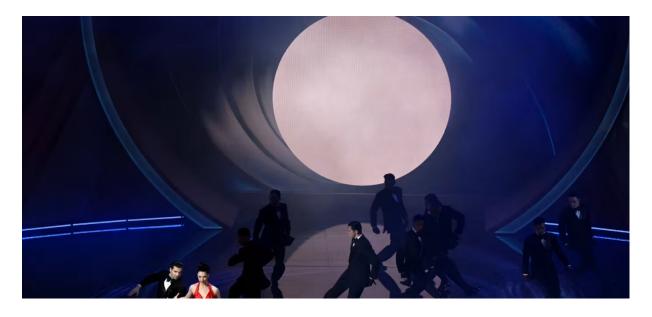
Hollywood executives are puzzled by the apparent sympathy from a US president who previously <u>expressed disdain</u> for them as "elites". Trump has slammed actors such as Meryl Streep as "liberal movie people" and lashed out at the Academy Awards as "boring, woke crap!"

"This is just crazy," said one senior Hollywood executive, noting that the American film industry has a trade surplus, unlike other industries Trump wants to bolster with his tariff plans. "What is it you're trying to achieve?"

Late-night host Jimmy Kimmel mocked the announcement, telling viewers: "What a great idea. Next year, [HBO's] *The White Lotus* is gonna be set at a Hampton Inn."

Yet the Teamsters, a union representing drivers and other staff in the motion picture industry, <u>thanked Trump</u>, calling his move a "strong step towards finally reining in the studios' un-American addiction to outsourcing our members' work".

Questions abound about how Trump's film tariffs would work in practice — and whether they will happen at all. A White House spokesperson on Monday said "no final decision" had been made and the administration was "exploring all options".





Margaret Qualley performs at the 97th Annual Academy Awards. Donald Trump has called the event 'boring, woke crap!' © Patrick T. Fallon/AFP/Getty Images

If the plan goes ahead, it would mark the first instance of a tariff being levied on a service instead of a physical good, said Marney Cheek, a partner at the Covington law firm.

"Most films are transmitted digitally and not in physical form, so there is a fundamental question about how to implement the tariff," she said. "The US government has been opposed to digital service taxes in the past, so they would have to come up with a scheme to collect the money."

Executives at Netflix and other major groups are preparing to meet with Trump to try to influence the plans, said people familiar with the matter. Their message for Trump: film tariffs would damage US businesses.

During earnings calls this week three of the largest studios avoided addressing the topic entirely.

Disney and Netflix did not respond to requests for comment. Warner Bros Discovery and Paramount declined to comment.

Like other parts of US media and cultural circles, Trump has feuded with Hollywood but also shown a desire to be included in it. As a former reality television personality and producer of NBC's *The Apprentice*, he was awarded a star on Hollywood's Walk of Fame in 2007. He has appeared in films such as the 1990s hit *Home Alone 2*, playing himself as a New York businessman. His recent takeover of Washington's Kennedy Center implies a continued interest in influencing American culture.





Trump was the star of the NBC reality show 'The Apprentice' © Ron Galella/Ron Galella Collection/Getty Images "Trump cares about movie stars, he cares about Tom Cruise. He loves being King Trump and wants the beautiful people . . . My question is, where is the upside for him?" said media analyst Alice Enders.

Enders believed it is "very unlikely" for Trump's administration to give significant federal tax incentives to Hollywood, as both Voight and California Governor Gavin Newsom <u>proposed this week</u>. "It won't play well with his base. The Christian base, they're not in Hollywood. They're going to say: why are we giving them more money?

"Doge has been cutting things right, left and centre," she said, referring to the socalled Department of Government Efficiency. "And you're going to give a huge amount of money to Hollywood?"

As he announced a trade deal with the UK on Thursday, Trump nodded to his Hollywood ties, mentioning he had been friends with actor Sean Connery, who played the original James Bond. "Great guy," Trump said. But he reiterated intentions to implement film tariffs, which were not part of the trade agreement.

Days before his inauguration, Trump announced that Voight — along with fellow conservative actors Sylvester Stallone and Mel Gibson — would become "special ambassadors" whose jobs would be to help a "very troubled place, Hollywood, California" that was losing out to "foreign countries".

Whatever their other qualifications, Stallone and Gibson have experience in looking outside the US to make their movies. Stallone shot *Rambo: Last Blood* in Bulgaria, while Gibson is shooting his sequel to *The Passion of the Christ* in Italy.



Sylvester Stallone in 'Rambo: Last Blood', from 2019 © Yana Blajeva/Lionsgate/Kobal/Shutterstock Despite the mutual hostility between Trump and most of Hollywood, the president's claim that it is a "troubled place" sums up the way many in the city's entertainment industry feel at the moment.

Production has been moving out of Hollywood for years, thanks to generous incentives offered by Vancouver, Atlanta, New York and London. The trend to shoot outside LA accelerated after the 2023 labour strike, which brought production to a standstill for six months. An expected rebound has not materialised, leaving some to fret that Los Angeles is destined for the same fate as Detroit and the auto industry.

Senior executives say there is still a strong desire to shoot in Hollywood, but they bemoan the expense — particularly after the strikes — and onerous permitting requirements to film in LA.

Newsom has introduced a \$750mn annual tax-incentive plan, doubling the existing

credit, and there is also discussion of cutting red tape.

Trump appeared to walk back his plan on Monday, saying he was "not looking to hurt the [movie] industry, I want to help the industry". But he has not provided any more details, leaving Hollywood in limbo — and afraid of provoking Trump by speaking out.

Executives this week wondered whether this was all a scheme to inflict damage on Canada, or a political tactic to gain favour with unions and weaken support for Newsom, a Democrat with possible presidential ambitions.

"With only a single social media post to go on, [it is] virtually impossible to size the impact to the industry," Morgan Stanley analyst Benjamin Swinburne wrote this week. He warned that the tariffs "would lead to fewer films, more expensive films, and lower earnings for all in the business".

"At this point, we have more questions than answers," Swinburne concluded.

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