

FILM INCENTIVES

The first question producers ask, always, is "What are your incentives?"

- **IMPACT ON THE LOCAL ECONOMY AND TOURISM**

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- Film Production is one of the fastest growing sectors in the world economy and has moved from being thought of as purely entertainment to Big Business. It is highly labor-intensive and known for the economic spin-offs that are generated in local economics.
- Benefits are part of a wider economic platform of job creation, retail sales, manufacturing, travel and tourism earning that would otherwise not be injected into the community and state. Each production results in jobs for: camera operators, sound and lighting technicians, caterers, carpenters, truck drivers, hair and make-up, graphic artists, photographers, set designers, painters, actors and the list continues. Budgets are spent on hardware to props, plants to steel, paint to timber, draperies to carpets, furniture to portable dressing rooms, generators to saddle makers, restaurants to hotel room, cleaners to car rentals and that list continues as well.
- Feature films have a cast and crew of approximately 85 to 100 people with an average budget of \$35 to \$75 million. Prep begins up to 60 days of shooting with an average of 3 months of filming
- The benefits in the tourism industry is of particular importance as it enhances tourist destinations via the screen, has the possibility to create tourist icons based on a filmed location and the ability to highlight the diversity of a region or historic location.
- Producer, Don Carmods, explains, "we don't pollute, we don't require zoning changes, we come in for 4 to 8 months, we can employ up to a hundred people, drop a million of dollars into your economy and then we're gone".

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- **BENEFITS OF INCENTIVES**

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- Incentives have become a huge part of the approach used to financing films in general. Sometimes, the difference of going to a state with an incentive is the difference between whether the movie gets made or doesn't.
- The trend is how aggressive states have become in putting together packages to attract production. 37 states offer some kind of incentive package.
- Midwestern states that surround Nebraska such as Iowa, Colorado, Illinois and Missouri offer incentives. Kansas is in the legislative process of adopting new incentives that will become effective in 2008.
- Following are quotes from 2007 articles found in various industry publications:

- More than a handful of feature films have been shot in Chicago since the beginning of the year. This is certainly more than last year, and that's thanks to the 2007 Illinois tax incentive
- The Louisiana Film and Video Commission reports \$510 million in total production revenue for 2006 and \$20 million less than its revenue for 2005. That shift was caused by a change in the state's incentives package.
- In Michigan, last fiscal year revenue from features did not exceed \$2 million. "We had no business because we had no incentives", says the director of the Michigan Film Office.
- As the first state to introduce an incentives program in 1997, Minnesota felt the business impact five years later when it lost its program due to budget cuts. Last July the incentive was reinstated, adding almost \$4 million to the previous year's production revenue. In 2006, Minnesota took in about \$26 million.
- New Mexico Film Office reported an economic impact of \$428 million from the production industry in 2006 largely due to its 25 percent tax incentive.
- Texas had a good year, but it could have been better. We continued to see the effects of the film incentive programs by neighboring states.
- Since the incentives passed, more production companies have contacted the "Film Wisconsin" office.