MNFilmTV

MINNESOTA FILM FOR JOBS ALLIANCE

PRODUCTION INCENTIVES AS AN ECONOMIC ENGINE FOR MINNESOTA

Production Incentives Work

- Film, TV and digital media production is a major private sector employer, supporting 2.1 million jobs and $139 billion in total wages annually in the U.S. It generates billions in public revenues from state and federal taxes: sales tax, income tax, unemployment, Medicare and Social Security (based on direct employment in the industry).
- The industry also supports indirect jobs and wages in companies with which it does business, such as retail outlets, caterers, dry cleaners, restaurants, hotels, florists, hardware and lumber suppliers, software, and digital equipment suppliers.

Frances McDormand in *Fargo*

Voody Harrelson with Minnesota actors Greta Oglesby and Bruce Bohne in *Wilson*

How Minnesota Compares

- Minnesota's current incentive, a rebate program, is not competitive with states which offer tax credits. Rebate programs, dependent on direct legislative appropriation, are unstable, making it impossible to maintain a sustainable, long-term industry.
- Minnesota has lost projects from major studios like Disney and Warner Bros – representing a loss of more than $100 million in new spending – to states with tax credit incentive programs.
- As Minnesota's industry continues to contract, workers are forced to leave the state in order to find jobs in their field. Losing these high-paid, skilled workers hurts Minnesota's tax base and culture.

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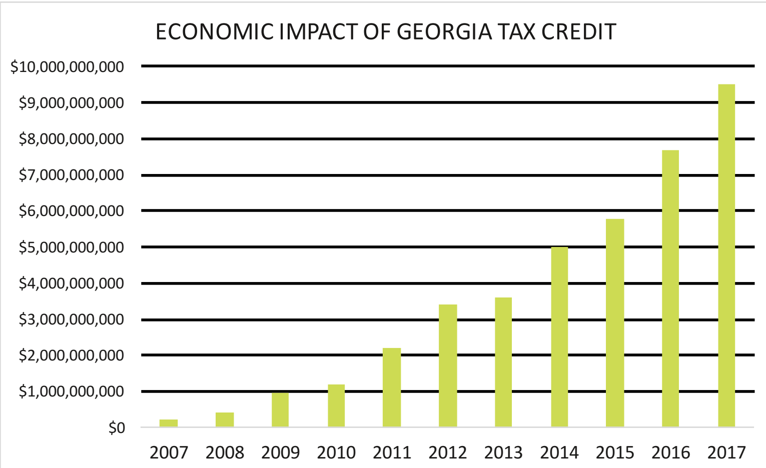
Thirty-one states and Washington D.C. currently offer a production incentive to producers of feature films, TV shows, documentaries and commercials. We can see the economic impact when states invest in incentives, and what happens when they don't.



CASE STUDY: Georgia
Incentive: transferable tax credit

- Georgia illustrates the potential positive impact when states invest in the production industry. Since enacting a transferable tax credit in 2008, the impact of the industry on Georgia's economy has grown from $241 million to $9.5 billion
- Since 2010 more than 300 businesses have relocated or expanded in Georgia to support the industry.
- That growth benefits not only the people working on the productions, but also the towns where they're being filmed. Thanks to "The Walking Dead," downtown Senoia has seen a revitalization. When production started, only six storefronts were occupied. Today, all 50 are occupied. Tourism is a big draw for Senoia and other filming locations across the state.
- More than 92,000 people in Georgia work in jobs with ties to the entertainment industry.

CASE STUDY: Florida
Incentive: none

- The Florida Entertainment Incentive Program, launched in 2010, established a pool of $296 million in tax credits for productions. The program ran out of funds in three years.
- Since then, Florida legislators have repeatedly voted not to replenish the funds, leaving the state unable to compete with Georgia, Louisiana, California and other states that offer as much as 30% in tax credits.
- According to a study by Film Florida, the state has lost out on more than $650 million in projects, 110,000+ hotel rooms and $1.8 billion in economic impact over the last three years, due to the loss of production work.

- Film incentives increase production volume
- Increased production volume results in increased demand for production labor
- Increased demand for production labor means more jobs
- Successful incentives have stability, long term goals and commitments to create jobs
- Stable incentives encourage skilled workers to permanently relocate to communities where work is consistent