

TAX CREDITS, LLC

FILM TAX INCENTIVE EXPERTS AND PLACEMENT SPECIALISTS

TAX CREDITS FILM INCENTIVE UPDATE (APRIL 2009)

Courtesy of: The Incentives Office

While the Economic crisis has caused some State legislatures to hold back on any increases to film incentives, others recognize the stimulus effect of production incentives, and have acted accordingly. Here is a summary of what has recently been approved, been rejected, or is still under consideration:

ALABAMA has a new incentive - A 25% rebate for talent, goods and services purchased in the state, 35% rebate for resident crew, plus a waiver of sales and lodging tax. \$5,000,000 is available for the fiscal year ending 2009, and \$7,500,000 will be available for fiscal year ending 2010.

ALASKA has posted regulations for its 30-44% tax credit pending approval from their Legal Dept. Once signed by the Lt. Governor's office, they will become official after 30 days.

COLORADO did not get approval for its improved incentive, but the legislation will be submitted again during the next legislative session.

KENTUCKY - has legislation pending, which it is hoping to pass in the June session.

MICHIGAN has sent checks for 10 of the 12 productions that have filed their tax returns and paperwork for productions in 2008. The remaining checks are anticipated soon. Additional filings are expected during the coming months. The Treasury Department has recently released checks in as little as two weeks after final paperwork is filed. Their 30 -42% tax credit program is generating many new shows.

MINNESOTA expects approval of an increase in their Snowbate allocation for the next fiscal year from \$2.5 million to \$10 million. The Snowbate is a 15% rebate for projects below \$5 million, 20% for projects above \$5 million.

NEW MEXICO reports no changes in their program. While total production spend for the fiscal year ending June 30, 2008 was \$836,000,000, the economy and the possible SAG strike resulted in a drop to somewhat over \$600,000,000 for the current fiscal year. Very impressive.

NORTH CAROLINA did not yet approve an increase in their refundable tax credit (hoping for 25%), but legislation is still pending, with a decision expected by June.

OHIO anticipates that one of the bills currently under consideration will be approved this session, and signed by the Governor.

TEXAS has a new incentive - legislation for a 17.5% grant has been approved, and is now awaiting the Governor's signature, which is expected this week.

UTAH has allocated tax credits (20% of in-state spend) of \$7,793,700 with no cap for the fiscal year beginning July 1, 2009, plus \$2,206,300 for cash rebates at 20%, with a \$500,000 per project cap. Producers must select one program or the other. Utah is a right to work state.

WASHINGTON has additional money to spend this year. While the yearly allocation is \$3.5 million, Washington Filmworks reports that \$8 million dollars is currently available for their 30% credit. While most of the crew must be Washington residents to qualify, it is possible to negotiate for a few out-of-state department heads.

WISCONSIN -- The Tamara Grisby 25% tax credit proposal recently introduced into legislation, is expected to pass and replace present Wisconsin incentives as of July 1, 2009. This bill is supported by the Wisconsin Film Office and the local unions, and is a major step forward in their program.

MAY 8th SYMPOSIUM

Jean Luc DeFanti of the Winchester Fund, both a financing source and a production company, has been added to our Incentives Office event. Two panels are offered, starting at 8:30 AM in Beverly Hills. The first, a look at soft money sources and requirements, is moderated by **Dama Claire of The Incentives Office**, with panelists Michael Hansen (Bayberry Fund), Mandie Rush (Bank Leumi), Jean Luc DeFanti (Winchester Fund), Lieve Jansen (IFG), and Bob Jellen (Gallagher Entertainment).

The second panel features production execs and film commissioners, discussing problems and solutions. **Jeff Begun from The Incentives Office** moderates; panelists include David Lancaster (Bold Films), Ken Halsband (Relativity Media), Cindy Kirven (Endgame) and film commissioners Nick Paleologos (Massachusetts), Bob Hudgins (Texas), and Amy Lemisch (California). Bruce Deichl (Tax Credits LLC) will discuss pending legislative changes in New Jersey, Vermont and Pennsylvania.

For more information, or to register, please [CLICK HERE](#).

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