Oversight Division

Committee On Legislative Research

SUNSET REVIEW

FILM PRODUCTION TAX CREDIT

Sunset Review

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Prepared for the Committee on Legislative Research
by the Oversight Division

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Committee on Legislative Research
Oversight Subcommittee

THE COMMITTEE ON LEGISLATIVE RESEARCH, Oversight Division, is an agency of the Missouri General Assembly as established in Chapter 23 of the Revised Statutes of Missouri. The programs and activities of the State of Missouri cost approximately $24.0 billion annually. Each year the General Assembly enacts laws which add to, delete or change these programs. To meet the demands for more responsive and cost effective state government, legislators need to receive information regarding the status of the programs which they have created and the expenditure of funds which they have authorized. The work of the Oversight Division provides the General Assembly with a means to evaluate state agencies and state programs.

THE COMMITTEE ON LEGISLATIVE RESEARCH is a permanent joint committee of the Missouri General Assembly comprised of the chairman of the Senate Appropriations Committee and nine other members of the Senate and the chairman of the House Budget Committee and nine other members of the House of Representatives. The Senate members are appointed by the President Pro Tem of the Senate and the House members are appointed by the Speaker of the House of Representatives. No more than six members from the House and six members from the Senate may be of the same political party.

Sunset reviews are assigned to the Oversight Division pursuant to Sections 23.250 to 23.298. After August 28, 2003, any new program authorized by the General Assembly shall sunset not more than six years afer its effective date unless reauthorized by the General Assembly. The Oversight Division shall conduct a performance evaluation of the program as set forth in statute and prepare a written report. The report shall make recommendations on the sunset, continuation, or reorganization of a program.

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The Joint Committee on Legislative Research is required by Section 23.259.1(3), RSMo to conduct performance evaluations of sunsetting programs to determine and evaluate program performance in accordance with program objectives, responsibilities, and duties as set forth by statute or regulation. The Oversight Division has reviewed the following programs:

- Surviving Spouse Tax Credit;
- Film Production Tax Credit;
- New Markets Tax Credit;
- After School Retreat Reading and Assessment Check Off;
- Missouri Teaching Fellows; and
- Healthcare Access Fund Tax Credit

The approved reports include Oversight's comments on (1) the sunset, continuation, or reorganization of the program, and on the need for the performance of the functions of the program; (2) the duplication of program functions; (3) the appropriation levels for each program for which sunset or reorganization is recommended; and possibly (4) drafts of legislation necessary to carry out the committee's recommendations pursuant to (1) and (2) above.

We hope this information is helpful and can be used in a constructive manner for the betterment of the state program to which it relates. You may obtain a copy of the reports from the Oversight Division website at http://www.moga.mo.gov/htmlpages/losunsetreview.html.

Respectfully,

Brad Lager

Senator Brad Lager
Chairman

EXECUTIVE SUMMARY

The Missouri Film Tax Credit Program was established in 1998 to help attract film production to the state. The program is administered by the Department of Economic Development (DED) and provides tax credits to production companies that incur a minimum amount of qualified expenditures during filming. To qualify for the credits, a film production company must have qualified expenditures of at least $50,000 for a film under 30 minutes, or at least $100,000 for a film over 30 minutes. Since the program's inception, approximately $15 million in tax credits have been issued for forty projects.

Oversight reviewed the files for a sample of projects that received credits under the program. After expenses are incurred, the production company submits a Film Production Expenditure Report along with supporting documentation to DED, who reviews the submissions to ensure the expenditures meet the established criteria (such as being a Missouri expenditure and being incurred within the stated window of opportunity). DED appeared to be diligent in ensuring the expenditures were valid and allowed under the guidelines of the program. Oversight noted three exceptions regarding DED's files: at least two approved expenses were incurred before the production was authorized to begin, most files did not have a utilized checklist, and the submitted Film Production Expenditure Reports were lacking in information.

DED provides information regarding the return on investment of state tax credit dollars on the annual Tax Credit Analysis (formerly referred to as Form 14) report. For this program, DED reported the state revenue impact as a return of only 19 cents on a dollar spent over a five year period. The Missouri Tax Credit Review Commission, in 2010, also ran a Regional Economic Model, Inc. (REMI) report for the program, and stated that Missouri only receives 11 cents on the dollar over a ten year period. The Commission's report stated "(t)his tax credit serves too narrow of an industry and fails to provide a positive return on investment to the state. There is currently no long-term opportunity for the location of production facilities for films in Missouri. Accordingly, the Commission recommends that the credit be eliminated during the 2011 legislative session."

Most states have some version of a film incentive program; however, several states are struggling with the question of whether or not giving credits to film production companies is a wise use of taxpayer funds. Some states have at least temporarily halted their programs. Examples include Kansas (suspended their program for 2009 and 2010), Arkansas (did not appropriate funding to the program for 2011) and Iowa (suspended their program in 2009 because of allegations of fraud).

Oversight recommends the General Assembly allow the Film Production Tax Credit Program to expire in 2013.

Chapter 1

Purpose/Objectives

The General Assembly has provided by law that the Joint Committee on Legislative Research conduct a performance evaluation of a program subject to the Missouri Sunset Act. The committee shall consider the criteria as listed in Section 23.268, RSMo in determining whether a public need exists for the continuation of a program, or for the performance of the functions of the program. A sunset review is the regular assessment of the continuing need for a state program to exist. A sunset review answers the basic questions of what has happened to this program since its inception and does the State of Missouri continue to "need" the services provided by the program.

The Joint Committee on Legislative Research directed the Oversight Division to conduct a Sunset Review of the Missouri Department of Economic Development's Film Production Tax Credit Program, Section 135.750, RSMo. This report provides an update on the program as created by Senate Bill 827 in the 1998 legislative session and fulfills the requirement as established by Section 23.268, RSMo.

Oversight's review addressed, but was not limited to the following:

1. Compiling data related to the program since its inception;
2. Analysis of the Department of Economic Development's administration of the program.

Scope

The Oversight Division researched the laws and activity regarding the Film Production Tax Credit Program from 1998 through 2011. Analysis included a review of Department of Economic Development data related to the program.

Methodology

The Oversight Division obtained information on the Film Production Tax Credit Program through correspondence, interviews, and a review of a sample of project files of the Department of Economic Development as well as review of statutes related to the program. Oversight also gathered information regarding other states' film production tax credit programs through internet searches.

Background

History of Section 135.750, RSMo

In 1998, the Legislature adopted Senate Bill (SB) 827 which created the Missouri Film Tax Credit Program, administered by the Department of Economic Development (DED). Originally, the program offered a credit of up to 50 percent of allowable film-production expenditures and had a cap of $1 million per year. Several statutory modifications have been made to the program since its inception. In 1999, House Bill (HB) 701 limited production companies to one qualified film production per year. SB 1394, in 2004, raised the per-taxpayer credit cap from $500,000 to $1 million per year, as well as the total annual tax credit limit from $1 million to $1.5 million. In the 2007 Extra Special Session, HB 1 changed the allowable percentage cap from up to 50 percent of allowable expenditures to up to 35 percent, removed the per-taxpayer issuance cap and raised the annual program cap from $1.5 million to $4.5 million. Also, a sunset clause was added (Subsection 6) that specified that the program "automatically sunset six years after November 8, 2007" (November 2013) and the "section shall terminate on September first of the calendar year immediately following the calendar year in which the program under this section is sunset" (September 2014).

The Program

Under the program, DED provides tax credits to companies that spend money to facilitate film production in Missouri. To qualify for the program, the film production company must have an expected in-state expenditure budget of at least $50,000 for films thirty minutes in length and under, or at least $100,000 for films over thirty minutes. The Missouri expenditures must be for items such as labor, services, materials, equipment rental, lodging, food, location fees and property rental, and must be considered necessary for the film.

The tax credits are discretionary; therefore, film production companies must first apply to DED to be approved under the program. DED considers the economic impact to the state in determining if the production company will be awarded credits. If approved, and if credits remains available under the $4.5 million annual cap, DED sets aside a certain amount of credits for the production. The credits were created as an incentive for companies to utilize Missouri resources and film in our state. Therefore, in order to qualify for the program, production companies must not have made the final decision to film in Missouri and would not film in Missouri if not but for the availability of these credits.

On the application form, DED asks for estimates on the amount to be spent in Missouri, as well as projected dates for establishing the production office and the first day of principal photography. These dates are used in determining the length of time for which tax credits may be reserved for the project, as well as the likelihood that the project will actually be produced in Missouri. If it appears at any time that a project may be significantly delayed, DED may potentially reclaim the reserved credits and apply them to a different project. In addition, extensions may be granted by DED, on a case-by-case basis.

The Missouri Film Office was originally included in the approval process. Once DED received an application from a production company, they would share the application with the Film Office, who would also evaluate the economic impact of the film and submit a recommendation for the film. The recommendation would include the amount of tax credits proposed, the day that the film production office must open, the day that principal photography must begin, the minimum amount of Missouri expenditures that must be spent on the film, and the day that principal photography must end. However, after a $175,000 budget cut from the State, the Missouri Film Office closed in 2011. Currently, DED has taken over the marketing role the Missouri Film Office, as well as reviewing and evaluating applications.

Credits are issued at the rate of up to 35 percent of qualifying expenses. Receipts, statements and cleared checks are submitted to DED by the film production company and then reviewed to determine if the expenses qualify under the program. Examples of rejected expenses include out-of-state travel and payments for services from out-of-state vendors. If the production company submits enough qualifying expense receipts, DED then issues a tax credit to the company of the lesser of up to 35 percent of qualifying expenses or the amount authorized for the project during the application process. Recipients of the tax credit must first pay a 2.5 percent fee (of the tax credit amount) to the state before the credits are issued.

Once credits are issued, the production company is allowed to utilize them against their tax liability (Chapter 143 - income tax, excluding withholding tax, or Chapter 148 - bank tax, insurance premium tax or other financial institution tax), carry forward the credits for up to five years, or sell/transfer the credit. It appears that most of the issued credits are sold/transferred and that the production company receives on average approximately 91 percent of face value.

The individuals and businesses claiming the credit must attach a copy of the tax credit certificate received from DED to a completed Miscellaneous Income Tax Credits Form (MO-TC), and attach those documents to the applicable Missouri tax return. Additionally, DED enters the tax credit information for each tax credit recipient in the Customer Management System (CMS), including the name of the recipient and the dollar amount authorized and issued. When the Department of Revenue (DOR) receives the credit claim, DOR compares the amount claimed on the MO-TC to the available amount shown in the CMS. If the amount claimed does not exceed the amount available in the CMS system, or the amount of the tax liability, the credit is redeemed as requested.

Chapter 2

Comments

Since the program was established in 1998, DED has issued approximately $15 million in tax credits to entice production of films, documentaries and music videos in Missouri. Table 1 below shows the utilization of the program. According to the Tax Credit Analysis form created by DED, an estimated $4,876,942 of Film Production tax credits remained outstanding at the end of Fiscal Year 2011. Oversight has not yet received information regarding the status of the credits outstanding at the end of Fiscal Year 2012.

Table 1: Missouri Film Tax Credit issuances

Fiscal Year	Amount Issued	Amount Redeemed
1999 - 2006	$4,274,904	$2,542,159*
2007	$1,969,598	$1,240,972
2008	$1,642,701	$1,920,709
2009	$164,086	$970,673
2010	$5,181,512	$1,925,158
2011	$1,807,030	$1,563,218
Total	$15,039,831	$10,162,889*

* Calculated based upon DED's Estimated Amount Outstanding of $4,876,942 at the end of FY 2011

Since the beginning of the program, forty different projects have applied for and received film tax credits through DED. The average tax credit issuance is about $375,000; however, the per-production credit issuance has ranged from $17,357 for an episode of The History Channel's "Sold!" filmed near the Lake of the Ozarks to $4.1 million for the movie "Up in the Air" filmed mostly in St. Louis. An itemized list of tax credits issued since the inception of this program can be found in Appendix 1.

As part of our sunset review of the program, Oversight chose a sampling of seven projects to study in more detail. Oversight reviewed the tax credit application, recommendations submitted by the Missouri Film Office, expense statements submitted by the production company, correspondence, and various other items. The seven projects selected by Oversight were:

Table 2: Productions in sampling reviewed by Oversight

Production Authorized Fiscal Year	Product ID	Production Company / Feature	Amount Authorized	Tax Credits Issued
2008	51529	Poe Vision, LLC / Ligeia	$300,000	$300,000
2008	51528	Saving Grace B Jones	$400,000	$400,000
2009	58537	RVFD / RVPD, LLC	$490,000	$435,192
2009	58535	Videonine / Missouri Life	$786,800	$786,800
2010	59718	St. Louis Regional Educational and Public Television - The Championship Years	$338,000	$338,000
2010	59777	St. Louis Regional Educational and Public Television - The New Missourians / Homeland	$1,400,000	$1,400,000
2011	62271	Evident Entertainment / Sold!	$17,357	$17,357

After expenses for the project are incurred, the production company submits to DED a Film Production Expenditure Report along with supporting documentation. DED ensures that the expenditures meet the criteria established in statutes (such as being a Missouri expenditure and being incurred within the time period specified in the credit authorization letter). It appears that DED was diligent in ensuring that the submitted expenditures were for Missouri products or that the services were provided by Missouri residents. DED also ensured that the expense had truly been paid out by the production company by requiring to see a copy of the cancelled check or bank statement.

As stated in Chapter 1 of the report, expenses that qualify for the tax credits can be either (a) goods and services, or (b) compensation and wages. Oversight requested DED provide a breakout regarding the amount of the $15 million in tax credits that would fall under each of these two categories; however, DED stated they did not track the information in such a manner. Therefore, for a sampling, we broke out the expense information regarding the seven projects that we reviewed. Table 3 shows that seventy four percent of the total qualified expenditures for these projects were for goods and services (which includes payments to independent contractors). Each project had expenditures that were determined to not qualify under the program; therefore, the 'total qualified expenditure' understates the amount actually spent on the production.

Table 3: Estimated eligible expenses by category for the seven projects that Oversight reviewed:

Production Company / Feature	Estimated Goods and Services	Estimated Compensation and Wages	Total Estimated Qualified Expenditures	Tax Credits Issued
Poe Vision, LLC / Ligeia*	$ 673,028	$ 0	$ 673,028	$300,000
Saving Grace B Jones*	$ 687,802	$ 582,695	$ 1,270,497	$400,000
RVFD / RVPD, LLC	$ 337,526	$ 962,096	$ 1,299,622	$435,192
Videonine / Missouri Life	$ 2,178,367	$ 302,550	$ 2,480,917	$786,800
St. Louis Regional Educational and Public Television - The Championship Years	$ 999,581	$ 116,811	$ 1,116,392	$338,000
St. Louis Regional Educational and Public Television - The New Missourians / Homeland	$ 3,243,149	$ 831,909	$ 4,075,058	$1,400,000
Evident Entertainment / Sold!	$ 120,870	$ 166,507	$ 287,377	$17,357
Totals	$ 8,240,323	$ 2,962,568	$ 11,202,891	$3,677,349
Percentages	74%	26%		32.8%

* Projects receiving up to 50% credits (before statutory change to up to 35%)

While reviewing the documentation and files for the sample above, Oversight noted some potential issues:

1. At least two DED-approved expenses occurred before the stated expense window opened. The tax credit approval letter to the production company clearly sets forth the time-line in which the production company must have opened an office, uninterrupted photography must have begun, and the date in which expenses for the project may be incurred. For one project, the expense window opened October 29, 2009; however, DED later approved, as a qualifying expense, payroll payments made to an employee of the

production company earlier that month. DED stated that they had received a letter from the production company requesting the expense window begin October 1, 2009, but the request was not granted. The amount of tax credits issued to the company would not have changed if DED had correctly denied these expenses because a sufficient amount of other expenses were approved by DED to reach the authorized amount of tax credits for the project. Therefore, the approval of these non-eligible expenses did not fiscally impact the state; however, DED should have caught the timing discrepancy and denied these expense submissions.

2. Oversight found that most files did not have a used checklist. The application/approval/production expense verification process should have a checklist included in the file to document that all necessary steps in the process were completed. Oversight requested and DED provided a checklist to be used when considering the approval of a project; however, this checklist was not found in the files.

3. The applicants must submit a Film Production Expenditure Report to DED summarizing the expenses incurred during the project. Some of these reports reviewed by Oversight contained very little information regarding the project. Oversight recommends DED require a fully completed Film Production Expenditure Report from the production company before credits are issued.

As stated in the background section of the report, the Legislature made statutory changes to the program in 2007, including decreasing the allowable percentage of tax credits from 'up to 50 percent' down to 'up to 35 percent'. DED has utilized this ceiling for the tax credits to encourage the hiring of Missourians. DED allows production companies to claim the payroll of non-Missouri residents to count towards the tax credit; however, instead of the 35 percent ceiling, DED allows 30 percent of these expenditures to earn a tax credit. Also, DED requires at least 60 percent of the qualifying payroll expenses to be paid to Missouri residents. Therefore, if a production company meets the 60 - 40 split requirement (at least 60 percent of payroll is paid to Missourians and at most 40 percent of the payroll goes to non-Missourians), then the company's non-Missouri payroll may qualify for up to a 30 percent credit. These multiple percentages were used on all of the projects (after 2008) that we sampled. One project (New Missourian / Homeland) was even given the stipulation from DED that "if the production's total qualifying expenditure fails to reach 90 percent of $4 million, then tax credits will be earned at a reduced rate of 25 percent of qualifying Missouri expenditures and wages, and 20 percent of qualifying non-resident wages." DED stated that the idea behind the program was to increase the film production industry in Missouri. Therefore, the 60 - 40 split would allow for production companies to hire expertise from outside Missouri, but would still require that the majority of the work be provided by Missouri workers.

In addition to the seven projects that we sampled, Oversight also reviewed two projects that were authorized by DED to receive credits, but were later disqualified from the program. In the first project, the production company appeared to have not incurred a sufficient amount of eligible Missouri expenditures and their $49,000 tax credit authorization was rescinded. In the other project, it appeared the production company stopped corresponding with DED and officially missed the deadline to submit the necessary documentation to receive their $87,500 tax credit authorization. DED provided a list of five other projects that had been rejected for the tax credits as well as the reasons for the rejections. The reasons included: 1) the company did not meet the minimum expenditure requirements for the tax credits; and 2) the production office and principal photography did not begin by the deadline dates.

The Tax Credit Accountability Act of 2004 requires recipients of certain tax credits to report annually for three years regarding the continued impact of the credits. As one would expect from the nature of this program, each of the annual reports submitted by the sample chosen by Oversight (except for St. Louis Regional Educational and Public Television) reported having no employees in the years following the credit issuance. The credits are designed to entice production companies to come to Missouri to make their film or episode and bring a temporary positive economic impact with it. Productions generally last less than two months and full-time continuing jobs is not the focus of this program.

The most frequent awardee of tax credits under this program is the St. Louis Regional Educational and Public Television. During the life of the program, they have received five different tax credit issuances for a total of $2,059,092. In addition, a production company, Videonine/Medianine, Inc., which has the same principal place of business and some of the same officers as the St. Louis Regional Educational and Public Television, received another tax credit issuance of $786,800. DED verified that only one issuance to the St. Louis Regional Educational and Public Television production company occurred in each calendar year (as limited by statutes). Oversight is unsure if utilization of this program by Missouri-based production companies was intended by the Legislature and wanted to apprise the Committee of this occurrence.

A majority of other states offer some type of film production credit similar to that of Missouri. Of the surrounding states, only Nebraska and Iowa do not have similar programs. Table 4 compares the film production tax credit programs of the surrounding states. Each of the comparative programs offer a percentage (between 20 and 37) of qualified expenditures back to the production company. Only Illinois, Arkansas, and Kentucky do not appear to have an annual cap on the credits available.

Table 4: Film tax credit programs in Missouri and surrounding states

State	Maximum %	Annual cap	Spending minimums	Sunsets
Missouri	35%	$ 4,500,000	$50,000 for 30 minutes & under or $100,000 for over 30 minutes	2013
Nebraska	N/A	N/A	N/A	-
Illinois	30%	None	$50,000 for 30 minutes & under or $100,000 for over 30 minutes	2021
Oklahoma	37%	$ 5,000,000	$25,000 in-state and $50,000 minimum budget	-
Arkansas	25%	None	$50,000 within 6 months	-
Tennessee	25%	$ 2,000,000	Previous tax credit program repealed. Now grants awarded for 25% of qualified Tenn. expenditures	-
Kentucky	20%	None	$50,000 for documentaries, $200,000 for commercials, and $500,000 for full-length films	2013
Kansas	30%	$ 2,000,000	$50,000 for 30 minutes & under or $100,000 for over 30 minutes	-
Iowa	N/A	N/A	N/A	-

Several states across the country are struggling with the question of whether or not giving tax credits to film production companies is a wise use of stretched taxpayer funds. Several of the neighboring states have at least temporarily halted their programs. Kansas suspended their film production credit for the tax years 2009 and 2010; however, without further action by the Kansas Legislature, the suspension expired and the credits are now available again. In 2009, Iowa, under allegations of misuse and fraud, suspended their Iowa Film, Television and Video Project Promotion Program until July 2013. Arkansas did not appropriate funding to their program for 2011 and Oklahoma installed a moratorium on several programs, including one of their three film tax credit programs, which is set to expire December 31, 2012.

There are other examples of states scaling back their film production tax credits (New Jersey eliminated its program), but contrarily, there are also states that have decided to be more aggressive in attracting (or keeping) film productions business. For example, the state of

California added a comparable program in 2008 to compete with states taking away business that would have traditionally been theirs. Under California's program, production companies are eligible for a 20 to 25 percent tax credit and there is an annual cap of $100 million.

DED states that they have two FTE positions that administer the program and spend approximately 20 percent of their work time on the film credit program. Therefore, if the program were to be allowed to expire, DED assumes they would not realize a measurable fiscal savings in administration costs.

Since the Missouri Film Office closed in 2011, the issuance of film credits has slowed. Only three projects have been approved since the closure; however, one of these projects was disqualified because it did not meet the minimum expenditure thresholds of the program. The two other projects (Evident Entertainment - $38,386 and Lock & Key - $100,684) were issued credits in FY 2012.

As part of the Tax Credit Analysis (formerly referred to as Form 14) report submitted for the Film Production Tax Credit, DED provides information regarding the benefits derived from the program. On the report from October, 2011, DED stated that a Regional Economic Model, Inc. (REMI) reported the state revenue impact of the program was a return of 83 cents on a dollar spent in the immediate future, and a return of only 19 cents on a dollar spent over a five year period. DED also reported that the program has other benefits including: over five years, every dollar of authorized program tax credits returns $2.96 in new personal income and $5.17 in new value-added/Gross State Product. Currently, DED requires film projects to return at least 50 cents on the dollar before the project will be authorized to receive credits.

In 2010, the Missouri Tax Credit Review Commission issued a report detailing several tax credit programs. In it's analysis, the Commission utilized its own REMI model and reported over a ten year period the return to the Missouri taxpayers would only be 32 cents on the dollar over the first year and only 11 cents on the dollar over the ten year period. Regarding the program, the Commission's report stated "(t)his tax credit serves too narrow of an industry and fails to provide a positive return on investment to the state. There is currently no long-term opportunity for the location of production facilities for films in Missouri. Accordingly, the Commission recommends that the credit be eliminated during the 2011 legislative session."

It appears that the largest winner when a production comes to the state is the local community where the filming takes place. According to the studies referenced above, the state government does not generally recoup new state tax revenues sufficient to cover the amount of credits issued for the projects; however, the local economies benefit from the projects. Oversight could not find a local tax incentive program being utilized to lure production companies to their areas.

Program Continuation

Oversight recommends the General Assembly allow the Film Production Tax Credit Program to expire in 2013.

Appendix 1:

Film Production Tax Credit Program
Credits authorized and issued from inception through September 30, 2011

Requestor	Film Title	Principal City of Filming	Authorized Amount	Credits Issued
Active Entertainment	Alien vs. Alien	St. Louis	$350,000	$231,628
Alice Productions LLC	Alice	St. Louis	$500,000	$500,000
Bejing TV Art Center	The Treatment	St. Louis	$377,765	$377,765
Billback Films, Inc.	Bill	St. Louis	$468,300	$468,300
Black Hole Productions, Inc.	Black Hole	St. Louis	$165,507	$165,507
Candle Room Productions LLC	The Candle Room / Kingshighway	St. Louis	$150,000	$150,000
Casa De Loco LLC	Candy Coburn Music Video - Ain't No Rodeo	Lake of the Ozarks	$20,685	$20,685
Chicago Story Piccolo Guliner, Inc.	STORY / Emerson Electric - Innovation	St. Louis	$22,317	$22,317
Don Maxwell Films LLC	Civil War Stories	Harrisonville	$160,373	$160,373
DW Studios Productions LLC	Up in the Air	St. Louis	$4,131,011	$4,131,011
Equipmedia Group, LLC	Albino Farms	Warrensburg	$200,000	$193,149
Evident Entertainment	Sold!	Lake of the Ozarks Area	$17,357	$17,357
Evident Entertainment	Sold! The Series	Lake of the Ozarks Area	$38,386	(issued after 9/30/11)
Game Of Their Lives L.L.C.	Game of their Lives	St. Louis	$500,000	$500,000
Grand Center	Society's Child	St. Louis	$51,000	$41,409
Independent Media, Inc.	Harley Davidson Commercial	Kansas City	$53,900	$19,048
KD Productions	Killer Diller / Bottleneck	Fayette	$500,000	$475,496
Killshot Productions, Inc.	Killshot	Cape Girardeau	$350,000	$337,534
Larva Productions, Inc.	Larva	Springfield	$250,000	$250,000
Lenexa One, LLC	Lenexa 1 Mile	Kansas City	$200,000	$200,000
Lock & Key Productions	Extreme Makeover Home Edition	Joplin	$100,684	(issued after 9/30/11)
Masterpiece Santa Monica, LLC	The Painting	Kansas City	$500,000	$500,000
More Than Puppy Love II, LLC	More than Puppy Love	Kansas City	$300,000	$285,784
Moviecid	Last Will	Kansas City	$525,000	$355,572

New Dog, Inc.	Saving Shiloh	Pacific	$400,000	$400,000
Poe Vision, LLC	Ligeia	St. Louis	$300,000	$300,000
Return Productions, Inc.	The Return	St. Louis	$150,000	$150,000
RVFD/RVPD, LLC	Rainbow Valley Fire Department	Kansas City	$490,000	$435,192
Saving Grace B Jones Production Co	Saving Grace B. Jones	Boonville	$400,000	$400,000
Silver Hills Pictures	More than Puppy Love 2: Matchmaker Mary	Kansas City	$40,222	$40,222
Sorry Dad LLC	Sorry Dad	Kansas City	$200,000	$157,609
St. Louis Reg. Educational & Public TV	Breaking Bread	St. Louis	$80,000	$80,000
St. Louis Reg. Educational & Public TV	First Night	St. Louis	$200,000	$200,000
St. Louis Reg. Educational & Public TV	First Night 08-09	St. Louis	$185,000	$41,092
St. Louis Reg. Educational & Public TV	Championship Years	St. Louis	$338,000	$338,000
St. Louis Reg. Educational & Public TV	The New Missourians	St. Louis	$1,400,000	$1,400,000
Videonine Medianine, Inc.	Missouri Life	St. Louis	$786,800	$786,800
Waldo West Productions, LLC	Control	Kansas City	$172,432	$172,432
Waldo West Productions, LLC	Silence	Kansas City	$195,272	$195,272
Way Of The Guardian Film Productions	Way of the Guardian	Columbia	$30,989	$30,989
Weekender Productions, LLC	Frost / Still Waters	St. Louis/ Drake	$250,000	$249,552
Winter's Bone Productions	Winter's Bone	Branson	$520,599	$259,737
		Totals	**$16,071,598**	**$15,039,831**

Source: Department of Economic Development

Appendix 2:

Film Production Incentive Programs in Other States

State	Film Production Incentive / Credit Program
Missouri	Credit of up to 35% of qualified Missouri expenditures. Minimum expenditures of $50,000 for films 30 minutes & under or $100,000 for films over 30 minutes. $4.5 million annual cap.
Alabama	25% rebate of all state certified expenditures and 35% of all payroll paid to Alabama residents. Expenditures must equal or exceed $500,000, but must not exceed $10 million.
Alaska	Up to 44% credit on qualified production expenditures. Minimum of $100,000 in qualified expenditures. No annual cap.
Arizona	20% tax credit on all eligible expenditures if costs are $250,000 to $1 million and a 30% tax credit for over $1 million in qualifying expenditures. No annual cap.
Arkansas	Qualified productions are eligible for a rebate of 15% of qualified costs. May also receive an additional rebate of 10% for the payroll of below-the-line employees who are full-time residents of the state. Salaries greater than $500,000 are excluded. No project cap.
California	Qualified taxpayers are allowed a credit against income and/or sales and use taxes, based on qualified expenses. Applicants may be eligible for 20% or 25% depending on certain criteria. $100 million annual cap.
Colorado	Qualified production eligible for 10% rebate for the below-the-line cost of production. To qualify, company must spend 75% of its budget with Colorado businesses and hire 75% of its crew locally. No project cap for the production expense. $15,000,000 cap on digital animation production and "star talent" compensation cap of $20,000,000.
Connecticut	Qualified applicants eligible for tax credits of 10 - 30% for the production of digital media and motion pictures (10% for projects between $100,000 and $500,000; 15% for projects between $500,000 and $1 million; and 30% for projects over $1 million.)
Delaware	No film incentive program currently in statute.
Florida	Qualified productions eligible for 20% tax credit. Additional 5% can be obtained for certified off-season productions and another 5% credit for certified family friendly productions. $296,000,000 in credits (with a cap of 45% allocated to high-impact TV series, credit is capped at $8,000,000 per "general production queue" project, $125,000 per "independent and emerging media production queue" project, and $500,000 per "commercial and music video queue" project; wages and compensation are capped at $400,000 per person.
Georgia	Across the board tax credit of 20%, as well as a sales and use tax exemption. An additional 10% Georgia Entertainment Promotion enhancement can be earned. $500,000 cap per salaried employee receiving a W-2.
Hawaii	15% tax credit for costs incurred on Oahu and 20% on other islands. $8,000,000 per project; no annual cap.

Idaho	Qualified productions are eligible for the motion picture rebate program. The program is currently unfunded.
Illinois	Applicants can qualify for a 30% tax credit on all expenses. There is an additional 15% tax credit on salaries of individuals who live in economically disadvantaged area. Compensation not to exceed $100,000 per resident employee; no project or funding caps.
Indiana	Applicants are eligible for a refundable tax credit of up to 15% of investment in a qualified media production program. Program has sunset on December 31, 2011.
Iowa	The program was suspended in 2009. No film incentive program currently in statute.
Kansas	The program was suspended in 2009 until 2011. Qualified productions are eligible for 30% tax credit.
Kentucky	Qualified companies are eligible for a refund of the sales and use tax on expenditures made in connection with the production. $100,000 per person cap on above-the-line "crew". FY 2012 funding cap of 7,500,000.
Louisiana	Qualified productions are eligible for a 30% credit for total in-state expenditures. An additional 5% labor tax credit can be earned on payroll of Louisiana residents. No annual or per production cap.
Maine	The state offers three assistance programs, including the wage-tax rebate plan (12% of wages paid to Maine residents and 10% of wages paid to non-Maine residents), an income tax rebate for investors in media projects and no state sales tax on production items. Wages are capped at $50,000 per person; no project or funding cap.
Maryland	Qualified productions may be entitled to a grant of up to 25% of direct costs while filming in state. To qualify, the production must incur costs of at least $500,000 in the state, at least 50% of filming must be in Maryland, and the production must have nationwide distribution. $7.5 million annual cap, no per production cap.
Massachusetts	Qualified studios, producers and film makers who shoot at least half of their movie or spend at least half of their budget in the state are eligible for a 25% tax credit for every new dollar of spending they bring to the state. No annual or per production cap.
Michigan	Film productions that qualify can obtain a refundable tax credit of up to 42% (42% for core communities or 40% for non core communities) of the expenditures incurred. $100,000 minimum spend. No annual or per production cap.
Minnesota	Film productions that qualify can receive reimbursement of 15 - 20% of in-state production expenditures. No annual or per production cap.
Mississippi	Qualified productions are eligible for a 20% rebate of its local spending and possibly a 25% rebate on payroll paid to residents as well as a 20% rebate on payroll paid to non-resident cast and crew whose wages are subject to state income tax withholding. Also items used directly in the production are exempt from the state sales and use tax. $8 million per production rebate cap, $20 million annual cap.

Montana	Applicants can qualify for the state's incentive package of 14% back on Montana crew and talent salaries and 9% on production related expenses in state. No caps or minimum spend.
Nebraska	No film incentive program currently in statute.
Nevada	No film incentive program currently in statute.
New Hampshire	No film incentive program currently in statute.
New Jersey	Film production incentive was suspended for fiscal year 2011.
New Mexico	25% rebate on all expenses. Non-resident actors and stunt performers qualify under a separate tax structure. $5 million credit cap for all performing artists. No minimum spend and a $50 million rolling cap subject to time of request for refund per year.
New York	30-35% fully refundable tax credit on qualified expenses. Certain activities and expenses are exempt from state/local sales and use taxes. Capped at $420 million.
North Carolina	In-state expenditures above $250,000 are eligible for 25% tax credit on in-state purchases of goods and services not to exceed $20 million.
North Dakota	Income tax exemption available to primary sector businesses that add value to a product that creates new wealth. This requires the approval of the State Board of Equalization. No incentives and no lodging tax in 30 day/1 month blocks.
Ohio	25% of non-wage and non-resident wage production expenses and 35% of resident wage production expenses. $10 million aggregate cap for FY 2011-12 which has been completely allocated as of November 2011. Per production cap of $5 million (each episode of a TV series is seen as separate project.)
Oklahoma	Up to 37% on state expenses with an annual cap of $5 million. Three other film tax credits are available (investing in production, building film or music production facility in the state, and sales tax exemption for property or services used in productions). Capped at $5 million per year.
Oregon	20% cash rebate on goods/services paid to state vendors and 10% cash rebate of wages paid for work done in the state by residents and nonresidents. Must spend a minimum of $75,000 and maximum of $750,000 in-state to qualify.
Pennsylvania	25% tax credit if at least 60% of total production expenditures are in state. $15 million aggregate expenditure cap on above the line performing artists, whether direct or loan-out.
Rhode Island	25% transferable tax credit for in state spending. Minimum budget of $300,000.
South Carolina	Up to 20% cash rebate on in state wages and 10% cash rebate up to $3,500 out-of-state wages. 20% for out-of-state performing artist salaries. Up to 30% rebate on in-state supplier expenses if at least $1 million is spent in-state. The 20% wage rebate applies to an employee whose wages are subject to SC withholding tax and are less than $1 million (capped at $10 million).

South Dakota	No film incentive program currently in statute.
Tennessee	Previous program of up to 32% tax credits was repealed in 2012. Now Tennessee offers a 25% grant program for qualified Tennessee expenditures.
Texas	5% to 15% credit of in state spending on productions. $15 million annual cap.
Utah	Rebate of 20% on state spending. Must spend $1 million to qualify. Tax credit option has no per project cap (but must file Utah tax return). Rebate amount capped at $500,000 per project.
Vermont	No major incentives. Exemptions from hotel taxes, sales and use taxes. Performers can receive income tax exemption.
Virginia	Rebates subject to the Governor's Motion Picture Opportunity Fund, at Governor's discretion. $2.5 million allocated for FY 2012.
Washington	Assistance of up to 30% of total in-state qualified expenses. $3.5 million annual aggregate cap, subject to annual funding.
West Virginia	Transferable tax credits up to 31% of in state spending (27% plus 4% if 10% or more residents are hired full-time). $10 million annual cap.
Wisconsin	Fully refundable tax credit capped at $500,000 per year in total expenses. 25% on in-state salaries and expenses; 15% on film production company investments. 35% of project's total budget must be spent in the state to qualify.
Wyoming	Cash rebate of up to 15% on expenses. Minimum spend of $200,000. No annual cap.

Source: National Conference of State Legislatures (NCSL)