

MAINE STATE LEGISLATURE

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In 2013, sixteen productions qualified for the Maine Attraction Film Incentive Plan. The anticipated direct spend in Maine of the productions in this program during 2013 increased more than 200% from 2012.

Maine Attraction Film Incentive Plan 2013 Annual Report

January 15, 2014

Carberry Warhola, Karen

Maine Film Office

Karen Carberry Warhola
Director, Maine Film Office

January 15, 2014

To: Senator Anne M. Haskell, Chair
Representative Adam A. Goode, Chair
Joint Standing Committee on Taxation

From: Karen Carberry Warhola
Director, Maine Film Office

This is the Maine Film Office's 2013 annual report of the Maine Attraction Film Incentive Plan.

§13090-L. Visual media production certification

<http://www.mainelegislature.org/legis/statutes/5/title5sec13090-L.html>

7. Report. The Maine State Film Office shall submit a report by January 15th annually to the joint standing committee of the Legislature having jurisdiction over taxation matters regarding the certification and reporting process pursuant to this section and the visual media production tax credit and reimbursement activities pursuant to Title 36, section 5219-Y and Title 36, chapter 919-A. The report must include a description of any rule-making activity related to the implementation of the credit and reimbursement activities, outreach efforts to visual media production companies, the number of applications for the visual media production credit and tax reimbursement, the number of credits and reimbursements granted, the revenue loss associated with the credit and reimbursement and the amount of visual media production expenses generated in the State as a result of the credit and reimbursement.

[2009, c. 470, §1 (NEW) .]

In accordance with Maine's statutory requirements, this report provides: a description of any rulemaking activity related to the implementation of the credit and reimbursement activities; outreach efforts to visual media production companies; the number of applications for the visual media production credit and tax reimbursement; the number of credits and reimbursements granted; the revenue loss associated with the credit and reimbursement; and the amount of visual media production expenses generated in the state as a result of the credit and reimbursement.

The Department relied on data provided by the production companies and Maine Revenue Services. The report's key findings are as follows:

In 2013, sixteen productions qualified for the Maine Attraction Film Incentive Plan. Those sixteen productions had an anticipated direct spend in Maine of \$4,746,350.83. Tax rebates for certified production wages paid out to those sixteen productions totaled \$142,845.00. Under the plan, no tax credits were issued for qualified production expenses.

The *direct spend* of these productions was \$33.23 for every \$1.00 paid out in the program. That per dollar return on investment will increase when taxes paid by the productions are deducted from the cost of the program.

PROGRAM INFORMATION

Description of any rulemaking activity related to the implementation of the credit and reimbursement activities:

There was no rule making activity related to the implementation of the credit and reimbursement activities.

Outreach efforts to visual media production companies:

Outreach efforts to visual media productions include contact with companies in the United States, Canada, Spain, Japan, England, Belgium, Germany, and France. The types of productions the Maine Film Office had contact with include the following categories:

- Feature - Scripted and Documentary
- TV / Major Cable Movie
- TV / Major Cable Series
- TV / Major Cable Series Episodes
- TV / Major Cable Pilot
- Industrial and corporate training

- National Commercials
- Catalog Shoots
- Still Photography
- Sporting events

The types of companies and filmmakers the Maine Film Office had contact with include:

- Major Film studios
- Major TV Broadcast Networks
- Major Cable Broadcast Networks
- National Advertising Agencies
- Producers of original web-based television contact
- Independent Producers
- Line Producers
- Production Managers
- Location Managers and Scouts
- Talent Scouts
- Still photographers and studios
- Magazines
- Film Festival executives and organizers
- Radio Stations
- Newspapers

The number of applications for the visual media production credit and tax reimbursement and the number of credits and reimbursements granted:

In 2013, sixteen productions applied for and were certificated as qualified for the Maine Attraction Film Incentive Plan.

The revenue loss associated with the credit and reimbursement:

In 2013, sixteen productions qualified for the Maine Attraction Film Incentive Plan.

Tax rebates for certified production wages paid out to productions during the 2013 calendar year totaled \$142,845.00. Under the plan, no tax credits were issued for qualified production expenses.

The amount of visual media production expenses generated in the state as a result of the credit and reimbursement:

In 2013, the sixteen productions that qualified for the plan had an anticipated direct spend in Maine of \$4,746,350.83.

In 2013, the direct spend of the productions in Maine was \$33.23 for every \$1.00 paid out in the program. *That per dollar return on investment will increase when taxes paid by the productions are deducted from the cost of the program.*

To illustrate, in 2012 – before deducting the income taxes paid by the productions on certified wages - the direct production spend in Maine was \$20.28 for every \$1.00 paid out in the program. After deducting income taxes paid, the direct spend increased to \$39.92 for every \$1.00 paid out in the program.

In comparison, in 2012, the eight productions that qualified for the plan had a direct spend in Maine of \$1,545,198.72. The total cost of the program in 2012 was \$38,711 (which is \$87,811 paid out, minus approximately \$49,100 paid in taxes on the wages claimed).