

TAX CREDIT ANALYSIS

Program Name: Film Tax Credit Program

Department: Economic Development

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Date: October, 2012

Program Category: Business Recruitment

Type: Tax Credit Other (specify) _____

Statutory Authority: 135,750, RSMo

Applicable Taxes: Income tax, Bank tax, Insurance Premium tax, Other financial institutions

Program Description and Eligibility Requirements:

Provides a tax credit for in-state expenditures for film production projects. Prior to CY 2008, the film had to have an expected in-state expenditure budget in excess of \$300,000 to be eligible. After Jan. 1, 2008, films under 30 minutes in length must have an in-state budget in excess of \$100,000.

Explanation of How Award is Computed:

Entitlement _____ Discretionary

For years prior to 2008, the tax credit is equal to 50% of the investment in production or production related activities, but may not exceed \$1,000,000 per taxpayer, or \$1,500,000 for all taxpayers. Starting in 2008, the tax credit is up to 35% of qualified expenditures, but may not exceed \$4.5 million annually for all projects.

Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ 4,500,000 None _____

Explanation of cap:

The annual cap is allocated each calendar year to film projects based on pre-applications submitted to DED. Effective January 1, 2008 the annual cap increased from \$1,500,000 to _____

Explanation of Expiration of Authority: This program sunsets in 2013 unless reauthorized by the general assembly.

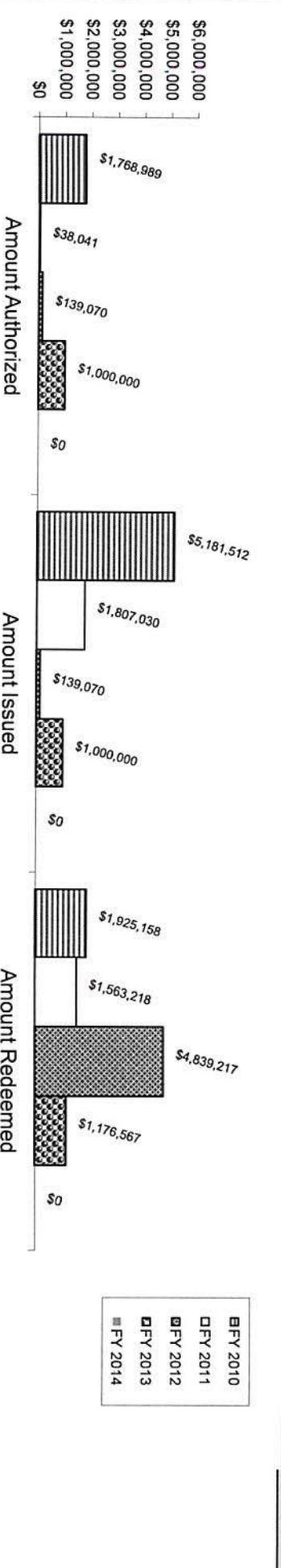
Specific Provisions: (if applicable)

Carry forward 5 years Carry Back _____ Refundable _____ Sellable/Assignable Additional Federal Deductions Available _____

Comments on Specific Provisions:

	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012 ACTUAL	FY 2013 (current year)	FY 2014 (budget year)
Certificates Issued (#)	4	5	2	3	0
Projects (#)	4	2			
Amount Authorized	\$1,768,989	\$38,041	\$139,070	\$1,000,000	\$0
Amount Issued	\$5,181,512	\$1,807,030	\$139,070	\$1,000,000	\$0
EST. Amount Redeemed	\$1,925,158	N/A	N/A	\$4,839,217	\$0
EST. Amount Outstanding	N/A	N/A	N/A	\$176,567	N/A
Unissued	N/A	N/A	\$0	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



FY 2010
 FY 2011
 FY 2012
 FY 2013
 FY 2014

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Comments on Historical and Projected Information:

BENEFIT: COST ANALYSIS (includes only state revenue impacts)	
	Other Fiscal Period (5 years)
BENEFITS	FY 2012 ACTUAL
Direct Fiscal Benefits	\$14,027
Indirect Fiscal Benefits	\$5,469
Total	\$19,496
COSTS	
Direct Fiscal Costs	\$23,178
Indirect Fiscal Costs	\$0
Total	\$23,178
BENEFIT: COST	0.84

Derivation of Benefits

Investment: (a) \$397,342.86 in Film Industry Sales Demand in 2012.
 Employment: (a) n/a
 Other Assumptions: (a) n/a
 Incentives/Credits: (a) \$139,070 in authorized Film Credits, redeemed between 2012-2017.
 Impacts estimated using the REMI model for the Statewide Region. Assumptions provided by DED.

Other Benefits:

In FY-2012, every dollar of authorized program tax credits returns

\$5.27 in new personal income totaling \$0.12 million

\$21.07 in new value-added/GSP totaling \$0.49 million

\$30.28 in new economic output totaling \$0.70 million

Over 10 years, every dollar of authorized program tax credits returns

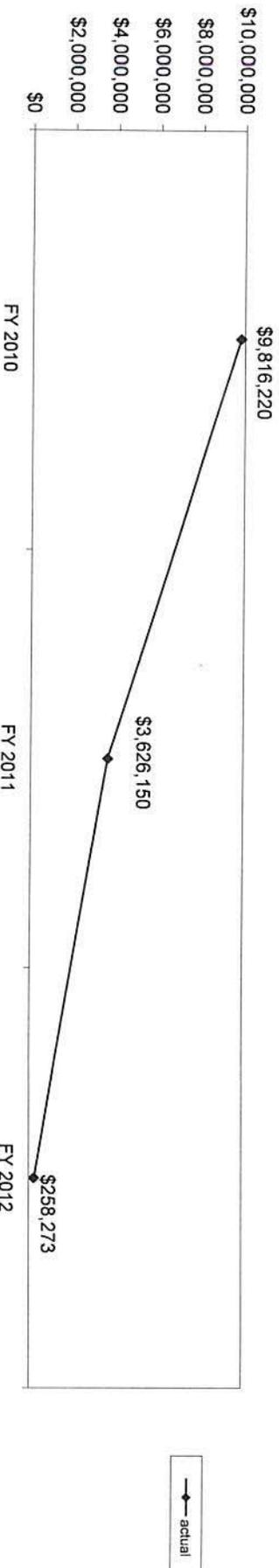
\$0.92 in new personal income totaling \$0.12 million

\$3.68 in new value-added/GSP totaling \$0.49 million

\$5.29 in new economic output totaling \$0.70 million

PERFORMANCE MEASURE(S)

Leveraged Investment



Comments on Performance Measure:

Audited dollars of Missouri spend minus the state investment of tax credits.