

TALKING POINTS

REINSTATE THE FILM INDUSTRY TAX INCENTIVES

Gov. Doyle's 2009-2011 budget completely eliminates the film production services and film production company investment income and franchise tax credits overseen by the Department of Commerce, and replaces them with an annual \$500,000 grant program for "film- and video-related activities that create permanent jobs in Wisconsin."

The incentives were signed into law by Gov. Doyle in 2006 and were effective as of January 1, 2008. In just over a year of existence, this 21st century economic development strategy has already resulted in high-profile films such as *Public Enemies* being filmed in Wisconsin and the establishment of locally-based film development programs and facilities around the state. The growth of the film industry in Wisconsin has already had positive repercussions for the entire arts industry, expanding and diversifying employment opportunities and increasing involvement in the arts overall.

The \$500,000 allocated for the new grant program is a significant decrease from the \$5 million per year currently specified for the film incentives program. These actions will effectively shut down this exciting and successful new industry that is already making a positive difference in communities across the state and for the state as a whole. ***To ensure that Wisconsin builds and sustains economic and community development and civic strategies for the 21st century, the film industry tax incentives must be reinstated and supported.***

Talking points:

- The Film and Video Incentives = Wisconsin Jobs. These tax incentives create Wisconsin jobs and bring dollars to our state. Hundreds of Wisconsin jobs have already been created by these tax incentives. According to a report compiled by Film Wisconsin, 759 Wisconsin jobs were created in 2008 as a direct result of the film incentives in at least 14 communities, including Milwaukee, Wisconsin Rapids, La Crosse, Green Bay and Manitowish Waters.
- Millions of dollars have been invested in infrastructure across the state as a direct result of the incentives. From RDI's \$6 million investment in studios in Milwaukee to Pulse Studios' million dollar investment in Green Bay, these infrastructure investments are creating permanent Wisconsin jobs.
- The incentives program was very successful in its first year and there is no reason to end a good thing now. The industry has employed Wisconsin residents with money that circulated in our state's economy.
- Having film industry incentives is about Wisconsin workers, not Hollywood. The film incentives put Wisconsin people to work, strengthen existing Wisconsin businesses and create new ones. It also puts Wisconsin on the map in a positive way that will attract tourists and the talented workforce we need.
- The proposed grant program to replace the incentives will not attract new business and jobs to Wisconsin. Long-term film and video infrastructure will not develop in Wisconsin with this new program, because there will no longer be an industry to support them given the absence of financial incentives to lure the industry to the state.
- Eliminating the incentives will shut down the industry and jobs will be lost. Creative, talented people from the industry will have to do their work in other states and even countries, as will their younger counterparts who are finishing up at our state universities and colleges.
- The Department of Commerce has circulated financial figures for "Public Enemies" which are in dispute. Van Stevenson, Senior Vice President of Government Affairs for the Motion Picture Association of America, had this to say about the impact of Public Enemies: *"Forty states have film tax credits which encourage the film industry to do business locally because these productions create jobs and revenue that benefits local economies. Universal spent over \$18 million in Wisconsin to film Public Enemies in the state because the filmmakers felt strongly about the authenticity of the setting and the opportunity to save money due to the new tax credit. Over 1600 people were employed in Wisconsin by the production and Universal paid \$7.4 million to Wisconsin residents and vendors. We appreciate the opportunity to do business in the state."*
- Governor Doyle said on the day he signed the film incentives into law two years ago: "Filmmaking is part of manufacturing in the 21st century...and Wisconsin will serve a valuable role in manufacturing film." (May 26, 2006)