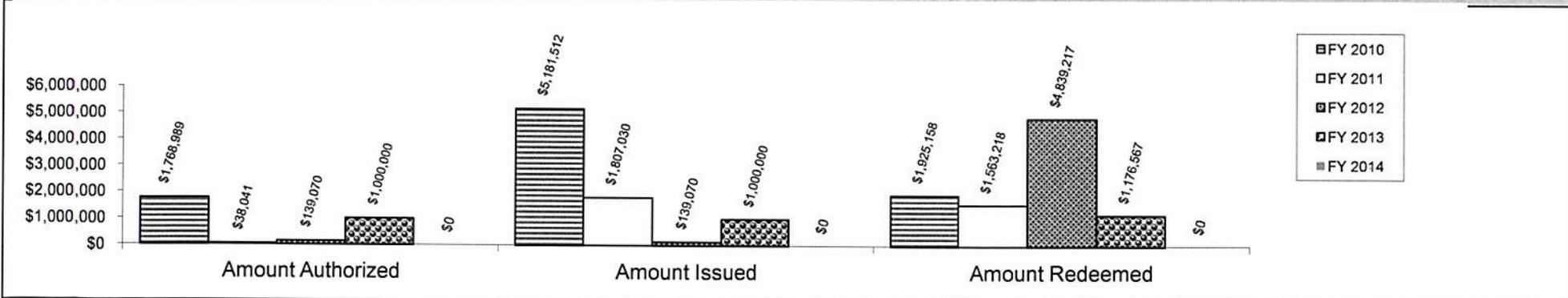


TAX CREDIT ANALYSIS

Program Name: Film Tax Credit Program	
Department: Economic Development	Contact Name & No.: Brenda Horstman 751-3713
Program Category: Business Recruitment	Date: October, 2012
Statutory Authority: 135.750, RSMo	Type: Tax Credit <input checked="" type="checkbox"/> Other (specify) _____
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 \$50,000; films over 30 minutes in length must have an in-state budget in excess of \$100,000.	
Explanation of How Award is Computed: Entitlement _____ Discretionary <input checked="" type="checkbox"/>	
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 <u>5</u> years Carry Back _____ years Refundable _____ Sellable/Assignable <input checked="" type="checkbox"/> 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	3	3	0
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
Amount Redeemed	\$1,925,158	\$1,563,218	\$4,839,217	\$1,176,567	\$0
EST. Amount Outstanding	N/A	N/A	\$176,567	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	\$0	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



TAX CREDIT ANALYSIS

Program Name: Film Tax Credit Program

Comments on Historical and Projected Information:

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2012 ACTUAL	Other Fiscal Period (5 years)	<u>Derivation of Benefits</u>
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.
Direct Fiscal Benefits	\$14,027	\$14,027	
Indirect Fiscal Benefits	\$5,469	\$5,469	
Total	\$19,496	\$19,496	
COSTS			
Direct Fiscal Costs	\$23,178	\$132,770	
Indirect Fiscal Costs	\$0	\$0	
Total	\$23,178	\$132,770	
BENEFIT: COST	0.84	0.15	

Other Benefits:

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

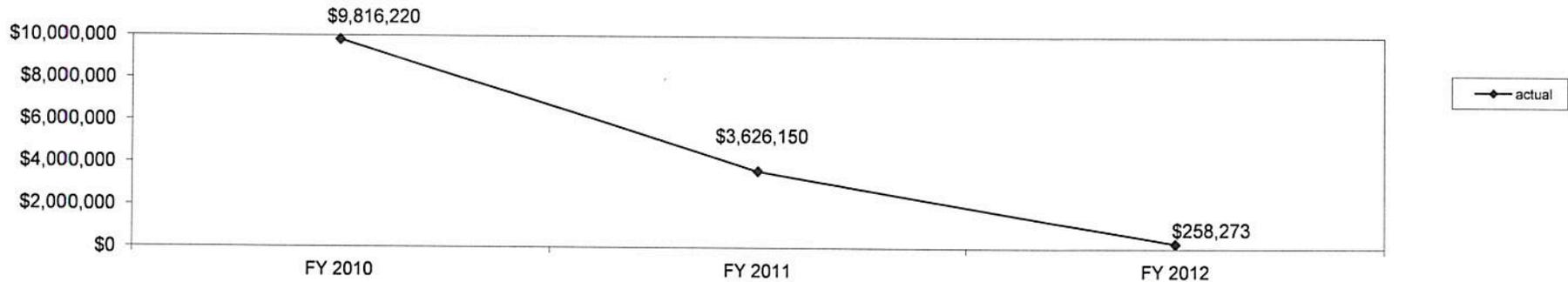
- \$5.27 in new personal income totaling \$0.12 million
- \$21.07 in new value-added/GSP totaling \$0.49 million
- \$30.28 in new economic output totaling \$0.70 million

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.