

HB 360 -- TAX CREDIT FOR QUALIFIED FILM PRODUCTION PROJECTS

SPONSOR: Robb

COMMITTEE ACTION: Voted "do pass" by the Committee on Ways and Means by a vote of 8 to 0.

For tax years beginning after January 1, 2008, this bill lowers the minimum budget expenditure from \$300,000 to \$50,000 for a qualified film production project less than 30 minutes in length or \$100,000 for a project longer than 30 minutes. The bill removes the individual credit cap of \$1 million and increases the overall cap for the credit from \$1.5 million to \$10.5 million. The credit will be equal to 50% of the qualifying expenses for the project not including wages for highly compensated individuals.

The tax credit may be taken against individual and corporate income tax, insurance premium tax, and financial institutions tax liability. The tax credit is not refundable, but can be carried forward and claimed for up to five taxable years.

The provisions of the bill will expire six years from the effective date.

FISCAL NOTE: Estimated Cost on General Revenue Fund of Up to \$42,046 in FY 2008, Up to \$9,072,618 in FY 2009, and Up to \$9,074,794 in FY 2010. No impact on Other State Funds in FY 2008, FY 2009, and FY 2010.

PROPOSERS: Supporters say that the bill is needed for economic development in Missouri's film production industry. Film production includes commercials, shorts, HGTV, Food Network, music videos, and movies. There is a tremendous opportunity for jobs and increased personal income in the state other than manufacturing businesses. The cap on the credit is increased to \$10.5 million and corrects a technical problem with the current credit. Missouri is turning great projects away because there is not enough tax credits and is competing with other states that offer better incentives. Missouri is centrally located with four seasons and a variety of landscapes. Local unions and residents provide much of the temporary labor and services. Film production provides a positive impact on communities with increased sales tax revenue and spending in the area.

Testifying for the bill were Representative Robb; Jerry Jones, Missouri Film Commission; Gary Hansen; Missouri Restaurant Association; Brian Treece, Missouri-Kansas-Nebraska Conference of Teamsters; Columbia Chamber of Commerce; Taxpayers Research Institute of Missouri; Associated Industries of Missouri; Lorah

Steiner, Columbia Business Bureau; Missouri Citizens for the Arts; Greater Kansas City Chamber of Commerce; John Pelzer; and Cindy Sheltnire, Film Industry Commission.

OPPONENTS: There was no opposition voiced to the committee.