

A photograph of an airport terminal window. In the foreground, three people are silhouetted against the bright light coming through the window. On the left, a woman stands with a suitcase, looking at a device. In the center, a man stands with a suitcase, looking out. On the right, a woman walks with a suitcase. Outside the window, a large white airplane is visible on the tarmac. The sky is clear and blue. A black rectangular box with rounded corners is superimposed over the upper part of the image, containing the text '2009 Annual Report' in red.

2009
Annual Report

Missouri Film Commission

2009: The Year in Review

Sue McCollum

Chair, Missouri Film Commission

2009 brought three new members to the Missouri Film Commission. The new members: Senator Robin Wright-Jones (D-St. Louis) replaced Senator Maida Coleman (D-St. Louis); Senator Kurt Schaefer (R-Columbia) replaced Senator Norma Champion (R-Springfield); and I, Sue McCollum (St. Louis), replaced Mark Biggs (Springfield) as chairperson of the Commission.

No legislation was enacted in 2009 relating to the Missouri Film Office or the Film Production Tax Credit Program. HB 177, introduced by Rep. Jason Grill (D-KC), proposed an increase in the annual cap on the program from \$4.5 million to \$10 million, but the bill did not pass.

All the while, the Commission continued to explore improvements to the program to attract more film and motion media production to Missouri in order to create additional high-paying jobs, to increase revenue for the state, and to enhance the long-term development of a self-sustaining film and motion media industry in Missouri.

Two major projects recruited by the Missouri Film Office dominated the year. In late winter in Branson and Forysth, the film *Winter's Bone* went into production. A small production with a budget under \$2 million, it nonetheless employed about 35 Missourians as crew and several more as talent. Audited figures show that the production spent \$800,000 in the region, especially appreciated by the area because the production occurred in the off-season. In December, the film was announced as one of only 16 films accepted – out of 1,058 submitted in its category– to premiere at the prestigious Sundance Film Festival in January, 2010.

The most visible project in the state was the feature *Up in the Air*, which filmed on location in St. Louis for over seven weeks. This was a Paramount Pictures production, and it is a rarity to land a full-blown studio production. This project starred George Clooney and was written and directed by Jason Reitman (*Juno*). Production offices opened in January, filming began in March, concluded on April 23, and the offices closed May 31. Audited figures show expenditures in Missouri of over \$11.8 million. In December, *Up in the Air* was the leading nominee of the Golden Globes Awards, and is likely to earn multiple Academy Awards nominations. More to the point of economic development, its success will spur a boost in tourism in St. Louis.

As with other industries in an economically down year, the motion media industry contracted somewhat. While feature films are the most visible projects, much of the work in the state is done on television commercial productions. Commercial production is the most critical component of supporting and expanding a motion media workforce. In a down economy, with businesses struggling, fewer commercials are made, so there was less work overall in 2009. The two feature films mentioned above softened the blow somewhat, but only an uptick in the general economy will rejuvenate the commercial production market. Fortunately, while individuals who make up Missouri's industry workforce learn to cope with reduced incomes, we don't see them abandoning the industry, so our basic workforce, for the moment, seems to be holding in place.

Historical Background of the Commission

The Missouri Film Commission was created in 1983 to attract film, television, video and cable productions to Missouri, and to promote the growth of the film and video production industry within Missouri. The mission of the Missouri Film Commission is to encourage capital investment to develop a viable infrastructure, including an experienced professional workforce, for motion media production in Missouri. The ultimate goal of the Commission is to achieve a self-sustaining production industry that will increase employment opportunities, entrepreneurial opportunities and generate additional revenue in the state.

Commission Primary Responsibilities:

RSMo 620.1200 states two main responsibilities for the board:

- 1) Advise the Director of the Department of Economic Development on the promotion of the development of film production and facilities in Missouri.
- 2) Provide an evaluation report to the governor and the general assembly, including any recommendations on the removal of barriers so that film production in Missouri may be more easily promoted and the development of state incentives to attract private investment in film production in the state.

Commission Membership

Commissioners

Chairman Sue McCollum, St. Louis
Senator Curt Schaefer, Columbia
Senator Robin Wright-Jones, Saint Louis
Representative Leonard Jonas Hughes, Kansas City
Representative Mike Sutherland, Warrenton
James Palumbo, Saint Louis
Shawn McClaren, Kansas City
Cindy Sheltmire, Columbia
Bill Lennon, Branson



Department of Economic Development Staff

Trent Griffith, Boards and Commissions Coordinator
Brenda Horstman, Finance Team Manager
Melody Worley, Finance Team Incentive Specialist
Grey Jackson, Finance Team Incentive Specialist

Missouri Film Office

Jerry Jones, Director
Andrea Sporcic, Assistant Director
Jenna Vaughan, Administrative Assistant



Missouri Film Commission Meetings

Four Commission meetings were held in 2009 on the following dates and at the following locations:

- **February 2, 2009**, Governors Office Building, Jefferson City
- **May 18, 2009**, Governors Office Building, Jefferson City
- **October 16, 2009**, Harry S Truman Office Building, Jefferson City
- **November 14, 2009**, Hilton at the Ballpark, St. Louis

The Missouri Film Office

The Missouri Film Office supports the objectives of the Commission by marketing the state to filmmakers across the country (and internationally) while providing a full range of support services designed to attract individual film projects to the state. The Missouri Film Office is backed by a strong and eager network of local contacts that help meet daily production needs throughout the state.



The Missouri Film Office provides the following services:

Scouting

The Film Office researches and documents any type of location background and supply photographs or videotape shot to your specifications. We accompany you to the suggested locations and arrange for any necessary clearances.

Pre-Production

The Film Office provides detailed information on state and local film regulations, weather, production services, crew, talent, facilities, equipment and various support services such as hotels, caterers, transportation, etc.

Liaison

The Film Office works closely with the various federal, state and local officials, as well as institutions, private businesses and individuals to ensure your shoot is hassle-free.

Recommendations

The Film Office analyzes the economic impact that each film applying for production tax credits may have in Missouri and makes recommendations to the Department of Economic Development about which projects should receive tax credits.



Winter's Bone, filmed in Branson, Missouri during February and March, 2009.

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Film Production Tax Credit Program

The Missouri Department of Economic Development (DED) film production tax credit program is capped at \$4.5 million per year. The Department may issue a production company state income tax credits equaling up to 35% of the company's certified Missouri expenditures required to make a motion media production, and (by policy) 30% for qualifying out-of-state cast and crew expenditures.

By statute, a production must spend a minimum of \$100,000 for projects over 30 minutes in length, or \$50,000 for films 30 minutes and under (i.e., payments made to Missouri companies, organizations or individuals) to earn a tax credit. Only those Missouri expenditures that are necessary for the production are applicable. Such expenditures may include, but are not limited to, the costs for labor, services, materials, equipment rental, lodging, food, location fees and property rental.

The tax credits may be applied against state income taxes (excluding withholding taxes) or financial institution taxes. The credits can be applied by the original recipient against such tax liability, or they may be sold or transferred to another taxpayer and applied by the transferee against their tax liability. The credits may be used for the tax period during which they are earned, and can be carried forward for up to five additional tax periods.

Making Economic Sense of the Film Production Tax Credit Program

1. Missouri's Film Production Tax Credit program is unlike many other tax credits. No tax credits are extended until a film shoots in Missouri and spends production money on Missouri labor, equipment, or other necessary production expenses.
2. Missouri's Film Production Tax Credit Program is specifically designed to create high-tech / high paying jobs for Missourians and to stimulate the formation of a self-sustaining film production industry in Missouri.
3. Currently 42 states offer some form of film production tax credit or rebate program. Many of these states have shown that targeted tax credit programs can effectively act as an economic or job stimulus packages rather than as give-away programs.

Missouri Film Production Tax Credit History

Year	Tax credits awarded	Total Dollars spent in-state by each film
2008	\$1,645,815.64	\$ 5,094,890*
2007	\$ 1,393,149	\$ 3,599,998
2006	\$ 1,500,000	\$ 4,500,000
2005	\$ 1,500,000**	\$ 2,700,000
2004	\$ 950,000	\$ 1,900,000
2003	\$ 950,000	\$ 19,000,000***
2002	\$ 600,000	\$ 1,400,000
2001	\$ 700,000	\$ 1,400,000
2000	\$ 400,000	\$ 800,000
1999	\$ 80,000	\$ 160,000

* Incomplete data; two projects awaiting completed audit;

**\$1M cap originally -- raised to \$1.5M in 2005

*** In 2003, one film, *the Game of their Lives*, accounted for \$17 million spent in Missouri





Film Commission 2009 Recommendations

The Missouri Film Commission has determined that developing a training program to create a growing labor pool of qualified film production workers, and providing an attractive incentive program will benefit the state by increasing economic activity and creating high paying jobs for Missourians.

Judging from the on-going success enjoyed by other states using tax credit programs to incentivize film production, the Film Commission believes that Missouri's tax credit program can also be used effectively to stimulate the creation of a brand new high-tech film production industry in Missouri.

The creation of a job training program to prepare Missourians for careers in production will be an important additional step in creating this new production industry. The program envisioned will utilize partnerships with Missouri's post-secondary schools and with filmcraft trade unions. Groundwork has been laid on both fronts to initiate training programs.

As such, the Film Commission will work throughout 2010 to capitalize on the success of 2009 and promote the motion media industry in Missouri.





Missouri Film Commission

Administrative Support Provided by:

Missouri Department of Economic Development

E-mail: mofilm@missouri.edu

Web: mofilm.org

Phone: 573-522-1288