

Update on the Economic Impacts of the Florida Film and Entertainment Industry Financial Incentive Program

Florida Film Tax Credits Return an Estimated \$5.6 to \$20.5 in State Taxes for Every \$1 of Credit Issued

In March 2013 a study commissioned by the Motion Picture Association of America and conducted by the public accountancy and business advisory firm MNP LLP demonstrated the significance of the film and entertainment industry to the Florida economy. As part of that report, MNP examined the available data on film induced tourism in Florida, and estimated the economic impacts arising from film and entertainment production assuming 5.0% of visitors to Florida are influenced by film and entertainment productions. MNP has now issued a supplementary report that contains revised estimates of film induced tourism based on the results of a recent visitor survey conducted by Visit Florida. The report was prepared independently by MNP for the Florida Department of Economic Opportunity. The survey found that 22.7% of leisure visitors (or about 19.5% of all visitors) state that viewing a movie or television series filmed in Florida was either “extremely important” or “very important” in their decision to travel to Florida.

The MNP supplementary report shows that the film and entertainment industry generates significant economic impacts for Florida residents and businesses, as well as tax revenues for State and Local Governments.

Economic Return on Investment

The Florida Film and Entertainment Industry Financial Incentive Program contributes to Florida’s economic output and gross state product, and creates jobs and income for residents of Florida. The economic returns resulting from the Florida Film and Entertainment Industry Financial Incentive Program are shown below.

Impacts from Production and FIT	Output (\$2005) per \$ of Tax Credit	Gross State Product (\$2005) per \$ of Tax Credit	Employment per \$ million of Tax Credit	Labor Income (\$2005) per \$ of Tax Credit
Assuming 5% of Visitors Influenced by Film/Television				
Totals (2011-2017)	\$122.49	\$71.61	1,618	\$39.94
Assuming 19.5% of Visitors Influenced by Film/Television				
Totals (2011-2017)	\$414.25	\$240.69	5,885	\$137.76

State Tax Return on Investment

To compare the amount of tax credits earned with tax revenues generated, the ROI for the Film and Entertainment Industry Financial Incentive Program can be calculated as tax revenues generated divided by the tax credits received. Based on the two scenarios considered in the study, the Florida Film and Entertainment Industry Financial Incentive Program could generate a **return to the State government in the range of 5.6 and 20.5** over the life of the program.*

Impacts from Production and FIT	State Tax Revenues (Nominal \$ millions)	Tax Credit (Nominal \$ millions)	Present Value of Tax Credit (Nominal \$ millions)	ROI
Assuming 5% of Visitors Influenced by Film/Television				
Totals (2011-2017)	\$1,622.3	\$296.0	\$292.0	5.6
Assuming 19.5% of Visitors Influenced by Film/Television				
Totals (2011-2017)	\$5,992.8	\$296.0	\$292.0	20.5

*Tax credits are discounted slightly to reflect a two and a half year time lag between the time tax credits are claimed and the time they are earned.

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