

Film world focuses on new tax credit

BY JACQUELYN WEINER

After years of losing out to other states on lucrative film projects, Florida almost has its own set of shiny incentives.

And the just-passed tax credit is already accelerating interest in Miami-Dade.

"We've turned down hundreds of millions of production in the last several years" Florida's incentives weren't attractive enough, said Graham Winick, president of Film Florida and film and event production manager for Miami Beach. "Now that the news has broken in Florida [of the new incentives], they're storming the gates to get in."

Passed unanimously last week in the legislature, \$242 million in transferable tax credits are to be offered over five years to filmmakers and television crews filming in Florida.

The tax credits authorized under the bill, according to the governor's office, are \$53.5 million in fiscal 2010-11, \$74.5 million for 2011-12 and \$38 million in 2012-13, 2013-14 and 2014-15.

Digital media projects are also included in the incentives, part of the overarching economic development bill SB 1752 that's awaiting Gov. Charlie Crist's signature.

Credits start at 20% for filming in the winter and 25% during summer and hurricane season.

An additional 5% credit is to be given to G-rated films or the equivalent for television and digital-media productions.

And because it's a transferable tax credit, recipients could sell their credits to other companies with tax liabilities, including non-film companies like Burger King or Wal-Mart.

The \$242 million in transferable tax credits are expected to "induce over \$1.2 billion in direct spending by productions choosing Florida for their film, TV and digital media projects," State Film Commissioner Lucia Fishburne wrote.

"The change from the current cash rebate incentive program, which required fighting each year for an annual appropriation," she wrote, to a five-year transferable tax-credit program gives filmmakers "continuity and certainty."

It also marks victory after a hard-fought battle to keep Florida in competition with other states' film incentives, Mr. Winick said.

A Florida film incentive had been in place as a cash rebate program, he said, but funds had been decreasing dramatically from "\$25 million at one point down to \$5 million."

"We had to keep going back year after year and it was inconsistent," he said.

And so Florida began losing out to states like Georgia and Louisiana with better film incentives.

Miami-Dade felt much of the pain, particularly with a standstill in feature films.

"Ten years ago we were the third production center in the United States," said Maria Chavez, executive director of the Florida Film Production Coalition. "Now we're not even No. 20."

"I've seen this industry grow and I saw it really slow and falter."

In 2009, film-industry spending in Miami-Dade County fell 25% to about \$100 million from \$130 million in 2008.

In 2007, filming brought \$150 million into Miami-Dade.

Feature films were also heavily affected, with just \$4 million spent in Miami-Dade in 2009—the first year in many with little major feature work here.

This year, about \$58 million has been spent so far on filming in Miami-Dade County, said Jeff Peel, director of the Miami-Dade Office of Film and Entertainment.

The numbers are "a little bit better than last year," Mr. Peel said.

Television filming is up "a little bit," he said, and the commercial market has improved.

It's a "testament to the economy recovering slowly," Mr. Peel said. But "feature business is still completely dead."

"It's the feature films that have really just fallen off the face of the earth for us," he said.

Yet when incentive money starts being doled out in July, Mr. Peel said, "That should result in a number of feature films being shot here in the coming year."

In fact, he said, the film industry is already buzzing with news of the new incentives.

"We've gotten lots of calls," he said.

And while attending the Locations Trade Show last month in Los Angeles, Mr. Peel said, "People were really closely following what was happening with our incentive bill in the legislature."