US States Moving Away from Film and TV Tax Credit Incentives?

November 28, 2010 by Bob Tarantino

According to Tom Moroney writing at *Bloomberg Businessweek* (hat tip: Entertainment Law Reporter), the climate in the United States for lucrative film and television incentive programs may be shriveling: Strapped States to Hollywood: Stay Home.

> [*Detroit 1-8-7*]'s producers were lured [to Michigan] by state incentives—a mix of tax credits, job-training subsidies, low-interest loans, and other aid. A state report says such subsidies are the most generous in the U.S., and cost Michigan taxpayers more than the economic activity they generate. The 355 full-time jobs created as a result of the program last year cost the state about $193,000 each, the study found. Rick Snyder, the Republican governor-elect, wants to curb the largesse.
>
> Since 2005 states have granted $3.5 billion in incentives to makers of films, TV shows, and commercials, according to a Tax Foundation calculation for *Bloomberg Businessweek*. Now, as states face a total of $72 billion in budget deficits in their coming fiscal years, according to the National Conference of State Legislatures, some are concluding Hollywood gets a lot more than it gives.

The Tax Foundation has put up its own post (States Slashing Film Tax Subsidies) which provides further details, and includes a link to the Tax Foundation's own lengthy report on the topic. For contrary perspectives on the value of tax credits, see this earlier Signal post: A US Perspective on Tax Credits.
