

STAFF MEASURE SUMMARY**Senate Committee On Business and Transportation****Fiscal:** No Fiscal Impact**Revenue:** Revenue impact issued**Action Date:** 04/20/15**Action:** Do Pass With Amendments. Refer To Tax Credits By Prior Reference
(Printed A-Eng).**Meeting Dates:** 04/01, 04/20**Vote:**

Yeas: 4 - Beyer, Monroe, Riley, Thomsen

Nays: 1 - Girod

Prepared By: James LaBar, Committee Administrator

WHAT THE MEASURE DOES:

Increases amount of maximum total tax credits for certified film production development contributions for fiscal year. Limits amount of expense reimbursement for filmmakers and local media production service companies other than local filmmakers. Increases limit on reimbursement for local filmmaker or local media production services company. Defines local media production project. Applies to fiscal years beginning on or after July 1, 2015. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Corresponding memo from Senate Business and Transportation Committee to Joint Committee on Tax Credits
- Return on investment from tax credit
- Tax credit applied only after money spent in the community
- Film production business model and the importance of incentives
- Expanding definition of film production as well the industry throughout the state

EFFECT OF COMMITTEE AMENDMENT:

Includes language that allows the Oregon Business Development Department to reimburse a local media production services company for a portion of the actual expenses incurred by the filmmaker or local media production services company in Oregon.

BACKGROUND:

The Oregon Production Investment Fund offers qualifying film or television productions a 20 percent cash rebate on production-related goods and services paid to Oregon vendors and a 10 percent cash rebate of wages paid for work done in Oregon, including both Oregon and non-Oregon residents. The labor portion of this rebate can be combined with the Greenlight Oregon program for an effective labor rebate of 16.2 percent. A production must directly spend at least \$1million in Oregon to qualify. There is no per production cap.

The Greenlight Oregon Labor Rebate offers productions that spend more than \$1million in Oregon a cash rebate of up to 6.2 percent of Oregon-based payroll. This rebate can be combined with the Oregon Production Investment Fund incentive for an effective rebate of 16.2 percent on qualifying production payroll.

The "Indigenous Oregon Production Investment Fund" (iOPIF) provides rebates of 20 percent of goods and services and 10 percent of Oregon labor for projects by Oregon producers who spend a minimum of \$75,000, up to the first \$1million of their spend. Other requirements will apply.