

# **WEST VIRGINIA FILM INDUSTRY INVESTMENT ACT**

## **Tax Credit Review and Accountability Report – Tax Years 2011-2012**

*(Includes Preliminary Data for Tax Years 2013 and 2014)*

**Submitted by:**

West Virginia Film Office  
West Virginia Department of Commerce, Division of Tourism

January 9, 2015

**TABLE OF CONTENTS**

Executive Summary ..... 3

    Original Intent of the Act & Overview..... 3

    Additional Findings ..... 4

Overview of Applications & Credits Allocated and Issued ..... 5

WV Businesses and Workforce Voice Their Support for the Film Industry ..... 6

    1. Positive Economic Impact for Private Sector Employers..... 6

    2. Workforce Depth & Training ..... 6

Tax Credit Review and Accountability Report Criteria ..... 7

    Claims of the Credit ..... 7

        Table 1 – Statistical Data for Tax Year 2011 ..... 8

        Table 2 – Statistical Data for Tax Year 2012 ..... 8

        Table 3 – Statistical Data for Tax Year 2013 (Preliminary) ..... 8

        Table 4 – Statistical Data for Tax Year 2014 (Preliminary) ..... 9

Conclusion..... 9

## **EXECUTIVE SUMMARY**

### **Original Intent of the Act & Overview**

The West Virginia Film Industry Investment Act ("Act" or "Program"), W.Va. Code §§11-13X-1, *et seq.*, was originally enacted July 1, 2007, and operates under Code of State Rules §§110-13X-1, *et seq.* As stated in W.Va. Code §11-13X-2: "The legislature finds that the encouragement of economic growth through the production of motion pictures and other commercial film or audiovisual projects in this state is in the public interest and promotes the general welfare of the people of this state. In order to encourage greater economic growth and development in this state, there is hereby enacted the West Virginia film industry investment act."

West Virginia Code §11-13X-11 requires a periodic tax credit review and accountability report evaluating the cost effectiveness of tax credits for the Act.

Tax credit allocations are limited to Five Million Dollars (\$5,000,000) every fiscal year. Unallocated credits expire at the end of each fiscal year and may not be carried over. A Program participant must incur a minimum of \$25,000 of qualified in-state expenditures. The amount of the tax credit for a Program participant is calculated at a base of 27% of a participant's qualified expenditures, with an additional 4% increase (for a maximum of 31%) when 10 or more West Virginia residents are hired full-time during principal photography. The 4% component is an important aspect of the Act because it focuses on jobs development, i.e., it encourages Program participants to hire West Virginia labor.

Of equal importance is the transferability of the tax credits. Most companies that participate in the Program are domiciled outside the state, which means they will not owe corporation net income taxes, business franchise taxes, or personal incomes taxes. For the tax credits to be of any value, Program participants must be able to transfer or sell the credits to an individual or entity that does have West Virginia tax liabilities.

A 6-person Reviewing Committee meets monthly to evaluate applications based upon statutory and other criteria. As set forth in the legislative rules, the Reviewing Committee (hereinafter Film Credit Development Committee, or FCDC) consists of the following members:

1. Secretary of Commerce, or designee;
2. Secretary of Education and the Arts, or designee;
3. Tax Commissioner, or designee;
4. Tourism Commissioner, or designee;
5. Film Office Director, or designee; and
6. an additional Film Office representative appointed by the Tourism Commissioner.

Applications to the Program are accepted at any time. Eligible projects include feature length theatrical or direct-to-video motion pictures; made-for-TV motion pictures; TV pilots, series, and miniseries; commercials; music videos; and commercial still photography. Applications that fail to meet the statutory criteria of the Program are ineligible to participate, e.g., projects that contain obscene matter or sexually explicit conduct, as defined by the West Virginia Code, or that depict the state in a significantly derogatory manner.

Once an application is pre-approved, the FCDC allocates (reserves) tax credits for the applicant. The applicant must begin filming within 120 days of approval or relinquishes the right to claim the credits (extensions may be granted). Following completion of filming, the applicant must hire an independent certified public accountant to prepare an Expense Verification Report ("EVR") utilizing agreed upon procedures issued by the State Tax Department. The applicant submits the EVR and other supporting documentation to the FCDC for evaluation. If all data is complete, the FCDC directs the Film Office to issue a tax credit voucher based on 27% or 31% of the final accounting of qualified expenditures.

The FCDC implements a checks and balances system to ensure that the Program operates accurately and within the intent of the statute and legislative rules. A tax credit voucher is not issued until the applicant has met all requirements of the Program. The Film Office may not approve a subsequent transfer/sale of a tax credit until the Transferor/Seller submits a Certificate of Good Standing from the State Tax Department. The Film Office provides the Tax Commissioner with copies of all Program-related documents.

### **Additional Findings**

- Although not required, this report also includes preliminary data for Tax Years 2013 and 2014 to demonstrate the continuing demand for the Program.
- The intent of the Act is to recruit new film industry prospects to conduct business in the state and encourage West Virginia domiciled production companies and filmmakers to participate in the Program. Supporting in-state companies and filmmakers provides additional opportunities for West Virginia's workforce to be hired and business service providers to be utilized. Resident labor with requisite skill sets is one of the keys to the continued success of the Program.
- The Program operates on a Fiscal Year basis (July 1 to June 30). However, as required by the statute, the data in this biennial report is provided on a Tax Year basis (January to December). The Film Industry Investment Tax Credit can be used against Corporation Net Income Tax, Business Franchise Tax, and Personal Income Tax. Improvements were made to the Act during the 2008 and 2009 legislative sessions (eff. March 10, 2008, and July 9, 2009, respectively) to, among other things, allow for the credits to be transferable, strengthen definitions of various words and phrases, amend approval and application process, create exclusionary language to prevent double-dipping with other tax credit programs, and strengthen tax credit review and accountability.
- In FY2014, the annual tax credit allocation was reduced from \$10 million to \$5 million (eff. July 1, 2013).
- Following the FY2014 reduction in the annual tax credit allotment, it has become increasingly difficult for the Film Office to recruit sizeable amounts of film industry business. Based upon knowledge and belief, demand for film tax credits is not waning but is, in fact, consistently growing. There is substantial potential in the film industry for West Virginia. Recently, the Film Office was informed by a major production company that it has entered into contractual arrangements to film 5-6 miniseries during 2015, with potential for another 5-6 in 2016. While the company has had, by their own admission, a positive experience previously filming in West Virginia and would look very favorably on filming many, if not most, of these projects in the state, they may be forced to look at other states because of the limitations of West Virginia's film tax credit. This company has already spent millions of dollars in West Virginia, has hired dozens of West Virginia workers, leased properties, and utilized the support services of dozens of local businesses on its productions. It is the type of relationship that the Film Office has worked hard to secure, but it is now at risk.
- In its current state, the Program has become less competitive with other states that also implement similar jobs and business development incentive programs. West Virginia has recently not only lost productions because of the limited amount of its tax credit allotment, but also is no longer being considered by many companies in the industry. During recent meetings with business prospects in Los Angeles, even production executives at The Walt Disney Company/ABC Television Studios and Warner Bros. informed Film Office staff that they no longer look at West Virginia for locations because their production budgets are too large for the state's incentive program to handle. It is impossible to measure the complete loss of tax revenue and economic impact because of this issue.
- Based on the data in this report, as well as the number of business prospect inquiries that are fielded by the Film Office weekly, producers are eager to conduct business in West Virginia because of key location criteria, such as diversity of landscapes and architecture. More specifically, akin to other manufacturing sectors, film industry companies are interested in conducting business wherever it will be the most economically feasible. A direct correlation exists between the amount of tax credits available and the level of business prospects that select West Virginia for filming.

## OVERVIEW OF APPLICATIONS & CREDITS ALLOCATED AND ISSUED

For historical purposes, the table below provides a convenient overview of applications received and credits allocated and issued since the Program's inception. As noted in the January 19, 2010, Tax Credit Review and Accountability Report, there were no applications to the Program in 2007; therefore, there were no tax credit allocations or claims. For Tax Years 2012, 2013, and 2014, the data will change in a future report because there are numerous Program participants that have yet to complete all of the requirements of the Program.

<b>OVERVIEW OF APPLICATIONS &amp; CREDITS ALLOCATED AND ISSUED</b>						
<b>Tax Year</b>	<b>Total No. of Applications Received</b>	<b>No. of Projects</b>	<b>Status of Approved Applications</b>	<b>Credits Allocated <sup>(1)</sup></b>	<b>Credits Issued <sup>(1)</sup></b>	<b>Unissued Approved Credits <sup>(2)</sup></b>
<b>2008</b>	<b>8</b>	<b>6</b>	<b>5</b>	<b>\$3,345,291.62</b>	<b>\$46,191.97</b>	<b>\$0.00</b>
	(5 approved; 2 denied; 1 withdrew)		(2 issued credits; 3 expired <sup>(3)</sup> )			
<b>2009</b>	<b>16</b>	<b>12</b>	<b>16</b>	<b>\$4,349,927.19</b>	<b>\$973,135.95</b>	<b>\$0.00</b>
	(16 approved)		(12 issued credits; 1 expired <sup>(3)</sup> ; 1 denied and approved upon reapplication; 2 did not incur minimum spend)			
<b>2010</b>	<b>11</b>	<b>8</b>	<b>11</b>	<b>\$5,520,568.26</b>	<b>\$4,868,928.76</b>	<b>\$0.00</b>
	(11 approved)		(9 issued credits; 1 expired <sup>(3)</sup> ; 1 did not incur minimum spend)			
<b>2011</b>	<b>22</b>	<b>20</b>	<b>19</b>	<b>\$2,341,054.48</b>	<b>\$1,610,534.86</b>	<b>\$0.00</b>
	(19 approved; 2 denied; 1 withdrew)		(18 issued credits; 1 expired <sup>(3)</sup> )			
<b>2012</b>	<b>24</b>	<b>19</b>	<b>21</b>	<b>\$3,240,835.31</b>	<b>\$452,128.70 <sup>(5)</sup></b>	<b>\$59,536.43 <sup>(5)</sup></b>
	(21 approved; 3 denied)		(19 issued credits; 1 expired <sup>(3)</sup> ; 1 still active)			
<b>2013</b>	<b>29</b>	<b>22</b>	<b>29</b>	<b>\$3,871,166.85</b>	<b>\$2,051,898.15 <sup>(5)</sup></b>	<b>\$453,213.70 <sup>(5)</sup></b>
	(29 approved)		(22 issued credits; 2 expired <sup>(3)</sup> ; 5 still active)			
<b>2014</b>	<b>26</b>	<b>20</b>	<b>26</b>	<b>\$6,376,686.71 <sup>(4)</sup></b>	<b>\$298,728.09 <sup>(5)</sup></b>	<b>\$6,023,505.83 <sup>(4,5)</sup></b>
	(26 approved)		(13 issued credits; 13 still active)			
<b>TOTALS</b>	<b>136</b>	<b>107</b>	<b>127</b>	<b>\$29,045,530.42 <sup>(5)</sup></b>	<b>\$10,301,546.48 <sup>(5)</sup></b>	<b>\$6,536,255.96 <sup>(5)</sup></b>

<sup>1</sup> "Credits Allocated" means tax credits have been reserved for an applicant that was pre-approved to participate in the Program but have yet to be "issued" until completion of all requirements of the Program. "Credits Issued" reflect the actual tax credit value of vouchers that have been "issued" to a Program participant following completion of all requirements of the Program.

<sup>2</sup> "Unissued Approved Credits" means that a pre-approved Program participant has an "open" application and has yet to complete all requirements of the Program before a tax credit may be "issued."

<sup>3</sup> "Expired" means that a pre-approved Program participant (A) did not ultimately spend the required minimum to establish eligibility for a credit, or (B) failed to bring its project to fruition, i.e., filming never occurred.

<sup>4</sup> These amounts appear to exceed the annual tax credit allotment because this report requires "Tax Year" data instead of "Fiscal Year" data.

<sup>5</sup> Since there are numerous active applications, these values will be supplemented in the next report.

## **WV BUSINESSES AND WORKFORCE VOICE THEIR SUPPORT FOR THE FILM INDUSTRY**

Members of both the local workforce and business sectors statewide have seen the direct benefits of the Program. See a small sampling of testimonials from around the state in the attached "***Film Tax Incentive Program: Boosting the Bottom Line for Business & Workforce.***"

### **1. Positive Economic Impact for Private Sector Employers.**

In addition to labor retention and an overall increase in job opportunities, the film industry provides the impetus to directly benefit local business sectors, such as heavy equipment rentals, transportation rentals, construction, lodging, food and other retail services, and a host of other personal, business and location services. Similar to workforce, it is in the financial interests of companies doing business in West Virginia to utilize the facilities and services of local merchants, thus generating additional work opportunities, positive cash flow, and tax collections.

For example, the influx of direct expenditures related to two recent miniseries that filmed in the Eastern Panhandle effectively "saved" a hotel that was operating "in the red." The total room nights for several hotels totaled more than 7,500 over a 4-month period. The hotel that was struggling is now operating "in the black" due to this production alone, according to the general manager. At another hotel, the general manager saw an increase in revenue through its in-house coin laundry facility by more than \$1,000 directly attributable to the filming of these miniseries.

### **2. Workforce Depth & Training.**

The film and television industry (hereinafter "film industry") depends on knowledge-intensive jobs, such as skilled technicians working in specialized crafts (e.g., electricians, carpenters, camera operators) and creative professionals (e.g., writers, producers, directors). A robust film industry enables and supports the development and retention of local, skilled labor. When companies look beyond the top production regions of Los Angeles and New York City, key factors they consider are physical assets, tax and other inducements, and the quality of skilled labor. It is in the financial interests of nearly all companies to hire local, skilled labor.

During the past several years, the Film Office has become more aggressive in leading the charge of developing workforce training programs that meet the needs of companies filming in the state. A persistent obstacle is the transient nature of the film industry itself as it relates to traditional job placement models associated with federally funded training programs. Most workers in the film industry are freelance [it's important to note that "freelance" is not synonymous with "part-time" as many freelance workers work full-time] and are hired on a job-to-job basis (similar to the construction industry). Herein lies the dilemma. If training programs provide workers with film industry skill sets, currently, there are no guaranteed jobs waiting for them, but without a skilled labor pool, it is difficult to recruit business prospects. Companies are choosing to conduct business where the labor pool has greater depth. And the reason is simple: companies who must transport and house production staff, talent, and service providers from one state to another for on-site filming are faced with substantially greater costs, which effectively causes a region to be less competitive.

In early 2013, the Film Office confronted this dilemma by repurposing portions of its marketing budget and directing those limited funds toward workforce training programs. The Film Office has hosted five workforce training programs, serving more than 160 people, in three in-demand skill sets: grips and electricians, location scouts, and entry level production assistants. During a workshop in August 2014, Blue Ridge Community & Technical College extended optional college credit or CEUs to participants. This was a significant step forward, as it served as a foundation for continued collaboration among workforce development partners statewide. Importantly, several dozen participants in these training programs have been subsequently hired on several productions that filmed in West Virginia. More training is needed for other key workforce classifications, too.

West Virginia is not alone in its efforts to build a workforce that will sustain long-term, year-round employment for film industry labor. New Mexico, Louisiana, Michigan, Massachusetts, and many others are offering workforce training for skill sets synonymous to the film industry. Nevertheless, it is difficult to build a sustainable film industry in an environment without properly trained workforce.

The Eastern Panhandle has been experiencing a large amount of film production during the past two years, and the Film Office anticipates several more film productions during 2015 in that region. In a concerted effort to meet the workforce demands for these upcoming productions, the Film Office is in the planning stages to organize additional training opportunities in the Eastern Panhandle in 1Q 2015, with business and economic development partners, to specifically target other skill sets that business prospects have indicated are in high demand. WorkForceWV is currently working with a specific Film Office prospect on job matching services to expand hiring opportunities for workers that have transferable skill sets that can be used on film productions, such as electricians, carpenters, inventory managers, landscapers, welders, drivers, accountants, and clerical.

Based on the Film Office's knowledge and experience, it is evident that there is a high degree of interest by West Virginia residents in pursuing workforce training opportunities in the film industry. The Film Office recommends hosting 4-6 training programs annually. The limited budget of the Film Office is unable to fully absorb the workforce training programs needed to pursue this recommendation. Costs will vary per workshop based on the venue and the topic, skills, and experience necessary from each instructor. Based on the models of the prior workshops hosted by the Film Office, each workshop costs between \$6,000-10,000, for a maximum allocation of \$60,000 per year.

### **TAX CREDIT REVIEW AND ACCOUNTABILITY REPORT CRITERIA**

West Virginia Code §11-13X-11 requires a periodic tax credit review and accountability report evaluating the cost effectiveness of tax credits for the West Virginia Film Industry Investment Act.

Section 11-13X-11 reads as follows:

- (a) Beginning on the first day of the third taxable year after the passage of this article and every two years thereafter, the film office shall submit to the Governor, the President of the Senate and the Speaker of the House of Delegates a tax credit review and accountability report evaluating the cost effectiveness of the film industry investment act during the most recent two-year period for which information is available. The criteria to be evaluated shall include, but not limited to, for each year of the two-year period:
  - (1) The number of eligible companies claiming the credit;
  - (2) The dollar amount of tax credit certificates issued to taxpayers;
  - (3) The number of new businesses created by the tax credit;
  - (4) The number of new jobs, if any, created by the tax credit;
  - (5) The amount of direct expenditures made on qualified projects; and
  - (6) The cost of the credit.
- (b) Eligible companies claiming the credit shall provide any information the Tax Commissioner and the film office may require to prepare the report: Provided, That the information provided is subject to the confidentiality and disclosure provisions of section five-d and five-s, article ten of this chapter. However, notwithstanding the provisions of section five-d and five-s, article ten of this chapter, the Tax Department is hereby authorized to disclose to the film office and to the development office such tax information as may be necessary to compile the report required by this section and the report required by section twelve of this article.

### **Claims of the Credit**

The following tables provide an assortment of data, such as the number of eligible companies claiming the credit, dollar amount of vouchers issued, and the amount of direct expenditures made on qualified projects. To adhere to statutory confidentiality provisions of the West Virginia Code, the West Virginia State Tax Department suppresses data when the number of observations is five or less. No individual applicant data is disclosed; data is provided in the aggregate.



**Table 1 – Statistical Data for Tax Year 2011**

While not statutorily required for this report, it should be recognized that Program participants bought or rented goods or services from 612 West Virginia businesses. This calculation was determined from a review of the independent CPA expense verification report submitted by each Program participant.

Statistical Item	Value
Number of Eligible Companies Claiming the Credit	8
Dollar Amount of Tax Credit Certificates Issued to Taxpayers	\$1,610,534.86
Number of New Businesses Created by the Tax Credit	4 <sup>1</sup>
Number of New Jobs, If Any, Created by the Tax Credit	157 <sup>2</sup>
Amount of Direct Expenditures Made on Qualified Projects	\$5,444,167.14 <sup>2</sup>
Cost of the Credit	\$2,537,355.00

<sup>1</sup> This calculation was determined from a review of the independent CPA expense verification report for each company issued a credit, which sometimes identifies new businesses that provided services to Program participants and that registered with the WV Secretary of State's Office and the WV Tax Department.

<sup>2</sup> These calculations were determined from a review of the independent CPA expense verification report for each company issued a credit. The number of jobs created is a reflection of how many West Virginia residents were hired to perform work on a per project basis.

**Table 2 – Statistical Data for Tax Year 2012**

While not statutorily required for this report, it should be recognized that Program participants bought or rented goods or services from 657<sup>(1)</sup> West Virginia businesses. This calculation was determined from a review of the independent CPA expense verification report submitted by each Program participant.

Statistical Item	Value
Number of Eligible Companies Claiming the Credit	18 <sup>1</sup>
Dollar Amount of Tax Credit Certificates Issued to Taxpayers	\$452,128.70 <sup>1</sup>
Number of New Businesses Created by the Tax Credit	12 <sup>1,2</sup>
Number of New Jobs, If Any, Created by the Tax Credit	139 <sup>1,3</sup>
Amount of Direct Expenditures Made on Qualified Projects	\$1,417,165.06 <sup>1,3</sup>
Cost of the Credit	\$1,623,095.00 <sup>1</sup>

<sup>1</sup> Since one (1) production is still active, these values will be supplemented in the next report.

<sup>2</sup> This calculation was determined from a review of the independent CPA expense verification report for each company issued a credit, which sometimes identifies new businesses that provided services to Program participants and that registered with the WV Secretary of State's Office and the WV Tax Department.

<sup>3</sup> These calculations were determined from a review of the independent CPA expense verification report for each company issued a credit. The number of jobs created is a reflection of how many West Virginia residents were hired to perform work on a per project basis.

**Table 3 – Statistical Data for Tax Year 2013 (Preliminary)**

While not statutorily required for this report, it should be recognized that Program participants bought or rented goods or services from 1,156<sup>(1)</sup> West Virginia businesses. This calculation was determined from a review of the independent CPA expense verification report submitted by each Program participant.

Statistical Item	Value
Number of Eligible Companies Claiming the Credit	13 <sup>1</sup>
Dollar Amount of Tax Credit Certificates Issued to Taxpayers	\$2,051,898.15 <sup>1</sup>
Number of New Businesses Created by the Tax Credit	10 <sup>1,2</sup>
Number of New Jobs, If Any, Created by the Tax Credit	221 <sup>1,3</sup>
Amount of Direct Expenditures Made on Qualified Projects	\$7,232,987.90 <sup>1</sup>
Cost of the Credit	\$1,968,806.00 <sup>1</sup>

<sup>1</sup> Since five (5) productions are still active, these values will be supplemented in the next report.

<sup>2</sup> This calculation was determined from a review of the independent CPA expense verification report for each company issued a credit, which sometimes identifies new businesses that provided services to Program participants and that registered with the WV Secretary of State's Office and the WV Tax Department.

<sup>3</sup> These calculations were determined from a review of the independent CPA expense verification report for each company issued a credit. The number of jobs created is a reflection of how many West Virginia residents were hired to perform work on a per project basis.



**Table 4 – Statistical Data for Tax Year 2014 (Preliminary)**

While not statutorily required for this report, it should be recognized that Program participants bought or rented goods or services from 402 <sup>(1)</sup> West Virginia businesses. This calculation was determined from a review of the independent CPA expense verification report submitted by each Program participant.

<b>Statistical Item</b>	<b>Value</b>
Number of Eligible Companies Claiming the Credit	Complete data not yet available <sup>1</sup>
Dollar Amount of Tax Credit Certificates Issued to Taxpayers	\$279,710.09 <sup>1</sup>
Number of New Businesses Created by the Tax Credit	0 <sup>1,2</sup>
Number of New Jobs, If Any, Created by the Tax Credit	89 <sup>1,3</sup>
Amount of Direct Expenditures Made on Qualified Projects	\$708,887.82 <sup>1</sup>
Cost of the Credit	Complete data not yet available <sup>1</sup>

<sup>1</sup> Since thirteen (13) productions are still active, these values will be supplemented in the next report.

<sup>2</sup> This calculation was determined from a review of the independent CPA expense verification report for each company issued a credit, which sometimes identifies new businesses that provided services to Program participants and that registered with the WV Secretary of State's Office and the WV Tax Department.

<sup>3</sup> These calculations were determined from a review of the independent CPA expense verification report for each company issued a credit. The number of jobs created is a reflection of how many West Virginia residents were hired to perform work on a per project basis.

### **CONCLUSION**

The data provided in this report is based upon applications reviewed by the Film Credit Development Committee for Tax Years 2011-2012. While not required at this time, preliminary data for Tax Years 2013-2014 is provided to demonstrate the consistent demand for the credits. In future reports, various statistics and values for several Tax Years will be supplemented because (A) some Program participants still have "open" projects and have yet to complete all requirements of the Program and (B) amended tax returns and credit applications could cause variances.

As illustrated throughout this report, the West Virginia Film Industry Investment Act continues to mature and continues to show a consistent increase in participation. Since 2008, it is directly responsible for creating 1,583 new jobs, 57 new businesses, and nearly \$34 million in direct expenditures from qualified projects. In addition, Program participants bought or rented goods or services from 2,827 West Virginia businesses, which further generates positive state and local tax revenue collections.

While the Program has enabled the Film Office to recruit new businesses to the state, it has also enabled West Virginia domiciled production companies and filmmakers to grow their businesses. During the past several years, the Film Office has become more aggressive in leading the charge of developing workforce training programs that meet the needs of businesses filming in the state.

As noted, however, following the FY2014 reduction in the annual tax credit allotment from \$10 million to \$5 million, it has become increasingly difficult for the Film Office to recruit sizeable amounts of film industry business. Based upon knowledge and belief, demand for film tax credits is not waning but is, in fact, consistently growing. There is substantial potential in the film industry for West Virginia.

Succinctly, the West Virginia Film Industry Investment Act is having a positive economic impact for the State and is a valuable business recruitment tool for the West Virginia Department of Commerce.

###

# Film Tax Incentive Program: Boosting the Bottom Line for Business & Workforce

## 1 WHEELING

"The film tax incentive has been a driving force behind creating new revenue streams and job opportunities. 'Super 8' shot primarily in the Northern Panhandle and brought millions of dollars in direct spending and created hundreds of jobs for paid extras. As a destination marketer, the film tax incentive is one of the main reasons WV locations are being considered, and the value of positive exposure of our state's landscape translates into additional tourism."

**Frank O'Brien**, Executive Director  
Wheeling Convention & Visitors Bureau

## 2 WEIRTON

"G & R Welding was contacted by Paramount Pictures while filming "Super 8" to do welding and sign removal work, which was very beneficial to our company. The film industry being in Weirton was a huge asset to our small town."

**Brenda Green**, Manager  
G & R Welding

## 3 CHARLESTON

"I have been in the business of motion picture production in West Virginia for almost 20 years. Since the incentive program began, I have witnessed a dramatic increase in the number and variety of productions coming to our state. Before the incentive program, it was nearly impossible to make a living as a film craftsman in West Virginia. Today, I know many who are working regularly and some who have more work than they can handle."

**Bill Hogan**, Managing Member  
Image Associates LLC

## 4 MARLINTON

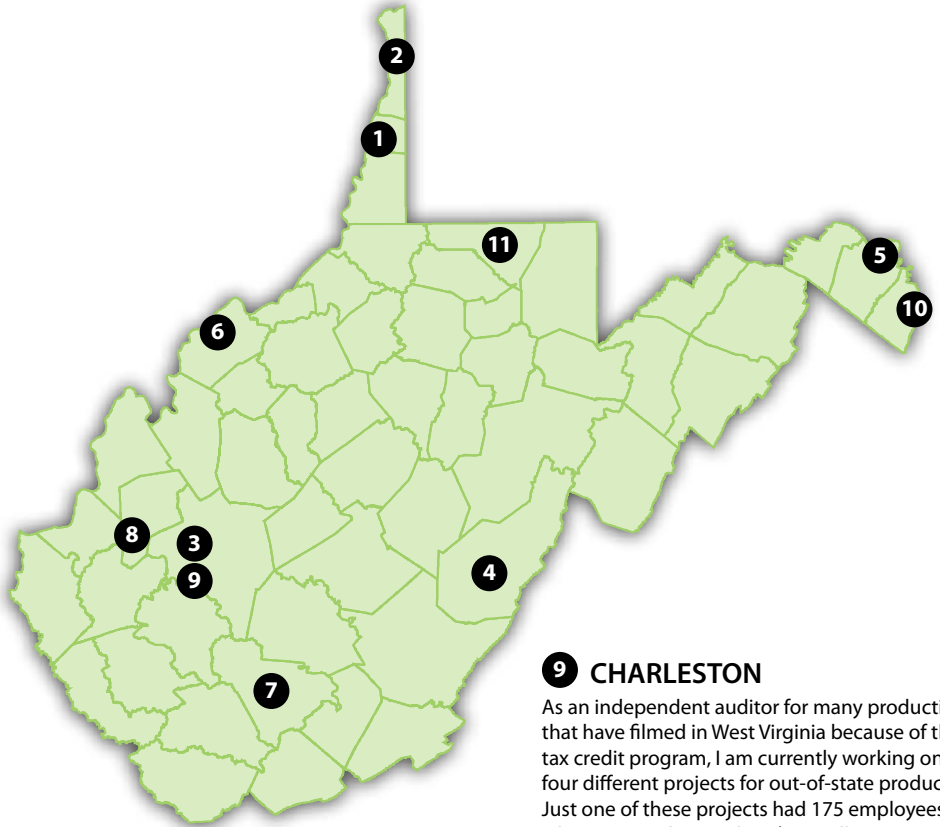
"If for a day or for a month, filming of a movie or a commercial drives commerce at a variety of levels from lodging and food to the rental of a local beauty salon or restaurant for a movie scene's backdrop."

**Cara Rose**, Executive Director  
Pocahontas County Convention & Visitors Bureau

## 5 HEDGESVILLE

"The effect of the business relationships the WV Film Office has built in the Eastern Panhandle has not only been financially beneficial for me personally as a member of the state's workforce, but has also helped increase the number of skilled labor and businesses involved statewide. Without the incentive program, the state's film industry would fade away."

**Clai Lashley**, Key Grip and Gaffer,  
Hedgesville



## 6 PARKERSBURG

"We have had the privilege of hosting several productions. Of course, it is financially beneficial when a large group stays at the hotel, but another benefit is the creation of community buzz. The film industry's impact is greater than just the creation of a movie; it adds to a region's economic growth and enhances a community's spirit."

**Cecil Childress**, General Manager  
The Blennerhassett Hotel

## 7 BECKLEY

"The unique underground access and environment we offer attracts interest from both film and television producers. We welcome these opportunities to promote our rich coal heritage in a positive way. It is always a win/win situation – we get amazing publicity and they get footage they can't find anywhere else."

**Leslie Gray Baker**, Director  
Beckley Exhibition Coal Mine

## 8 HURRICANE

"Whether it is a film or television project, the West Virginia Film Office has always had a positive presence. Their hospitality is refreshing, especially in the fast-paced and high stress film industry environment. The tax incentive's hiring provision for resident labor is nothing but a positive for anyone seeking employment in the film industry sector."

**David Romero**, Grip and Transportation  
Captain, Hurricane

## 9 CHARLESTON

As an independent auditor for many productions that have filmed in West Virginia because of the tax credit program, I am currently working on four different projects for out-of-state producers. Just one of these projects had 175 employees who were paid more than \$1.2 million in wages. While two of these producers are new to West Virginia, two others have returned for a second time because of the talented workforce, the scenery, and the tax credit. The number of film and television productions that have hired my firm has increased dramatically in just the last two years."

**John Rowan**, Managing Member,  
Rowan & Associates, CPAs PLLC

## 10 HARPERS FERRY

"We thoroughly enjoy welcoming film and television productions to Jefferson County. The most recent two History Channel mini-series that filmed here generated a great economic impact for the region, from hotels and vehicle rental companies to dozens of other business support services. If not for the film tax incentive program, these two mini-series would have filmed in another state."

**Ron Marcus**, Proprietor  
Quality Hotel Conference Center

## 11 MORGANTOWN

"The film tax credit program has been an important component of driving business to the state. Our company has been hired on multiple productions by out-of-state companies filming in West Virginia, the results of which have generated about 20% of our gross business for the past two consecutive years."

**Daniel McMullen**, Managing Member  
Blackwater Video Productions LLC



# WV: On Location

**Super 8**  
Weirton-Hancock County  
Photo Courtesy of Paramount Pictures



**Little Accidents**  
Daniels-Raleigh County  
Photo Courtesy of LAS Productions



**Angel's Perch**  
Cass-Pocahontas County  
Photo Courtesy of Angel's Perch LLC



**Hollow Creek**  
Pineville-Wyoming County  
Photo Courtesy of WV Film Office



**The Hunted**  
Diane-Webster County  
Photo Courtesy of WV Film Office



**The Men Who Built America**  
Wheeling-Ohio County  
Photo Courtesy of WV Film Office



**Another You**  
Charleston-Kanawha County  
Photo Courtesy of WV Film Office



**We Are Marshall**  
Huntington-Cabell County  
Photo Courtesy of WV Film Office

