



# FACT SHEET

WYOMING LEGISLATIVE SERVICE OFFICE

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## SELECTED U.S. STATES AND CANADA FILM INDUSTRY INCENTIVES

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This fact sheet provides information as requested by the Joint Travel, Recreation, and Cultural Resources Interim Committee focusing on film incentive programs of western states where Wyoming themed films or television shows have been shot and produced. These states are Idaho, Montana, New Mexico, and Utah. See **Table 1**. New Mexico is a leader in the western United States in attracting film and television productions. Canada and specifically Alberta and British Columbia, are emerging as leaders in the western hemisphere in film incentives and providing picturesque rocky mountain locations for filming.

### Background

According to the National Conference of State Legislatures, Louisiana was the first state to adopt state tax incentives for film and television production in 1992.<sup>1</sup> By 2009, 44 states, Puerto Rico and Washington D.C. offered some form of film incentives. Over the ensuing years, the popularity of these programs waned, and support from the film industry decreased. Since 2009, 13 states have ended their film incentive programs, including Wyoming which allowed the program to expire in 2016. A bill to reinstate the program failed during the 2017 legislative session.<sup>2</sup> Currently, 32 states offer incentives. The kinds of incentives states offer to bring in film companies and film projects can be categorized into five types.

- **Refundable Tax Credit** – Applies only to tax credits. The state will pay the production company in excess of the company's owed state tax.
- **Transferable Refundable Tax Credit** – The tax credits can transfer over to a local company so that they can reduce or eliminate their tax liability.
- **Rebate** – A direct payment issued to the production company by the state.
- **Grant** – A direct payment issued to the production company by the state. Unlike rebates, you do not have to pay any tax on a grant.

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<sup>1</sup> <https://www.ncsl.org/research/fiscal-policy/state-film-production-incentives-and-programs.aspx>

<sup>2</sup> <https://www.ncsl.org/research/fiscal-policy/state-film-production-incentives-and-programs.aspx>

- **Bonuses** – Some states offer additional perks to filmmakers. Such as for using specific locations, local businesses, or hiring local staff.<sup>3</sup>

**Table 1. Selected States and Canada Film Industry Incentives**

State	Statutes	Type of incentive	Spend and Cap	Detail
<b>Idaho</b>	I.C. §47-67-4728	Rebate – 20% for all Productions	Minimum spend: \$200,000 Incentive cap: \$500,000	To qualify for a 20% rebate, 35% of the production crew must be Idaho residents. If shooting a television series, each episode can be eligible individually, with a minimum spend of \$200,000 per episode. <sup>4</sup>
<b>Montana</b>	§15-31-1010 MCA	Transferable & Non-Transferable Tax Credit.	Minimum spend: \$350,000 Incentive cap: \$12,000,000 <sup>5</sup>	Resident workers earn a 25% tax incentive, while all other workers receive 15% tax incentive. A bonus of 5% is given if expenditures are incurred in an undeserved area. You can also gain a 10% bonus for all in-studio facilities an equipment rental incurred in the state (must be used for at least 20 days). 50% of all principal photography must take place in Montana.
<b>New Mexico</b>	NMSA §7-2F-1	Transferable & Non-Refundable Tax Credit	Minimum spend: none Incentive cap: none	Terms: 25% to all crew, 15% below-the-line non-residents. All crew receives at least 25%, apart from below-the-line, nonresidents who earn 15%. There is a 5% bonus for all productions that shoot in rural areas. An additional 5% bonus is given to any TV series shooting at least six episodes in New Mexico.
<b>Utah</b>	Utah Code §63N-8-103	Tax Credit and Rebate Terms 20-25% for all residents, terms apply.	Minimum spend: \$500,000 Incentive cap: none	Above and below-the-line, residents get a 20% tax credit. A further 5% can be granted if \$1 million or more is spent in the state of Utah. The minimum 5% bonus can be given if 75% of the cast and crew are from Utah, or 75% of the filming occurs in rural areas. A total of 25% can be given to any production. A cash rebate can be given to projects with less than \$500,000, where at least 85% of the cast and crew are Utah residents.

Source: LSO compilation of statutes and Set Hero.

### New Mexico’s Competitive Edge

New Mexico continues to aggressively pursue the film industry and is the leader in the west at luring film companies and projects away from the traditional California production sites.<sup>6</sup> New Mexico has a holistic approach to building the film industry, by capitalizing on the tangential aspects of the movie industry such as film industry tourism based on the popularity of the Albuquerque based TV show Breaking Bad with a website, offering

<sup>3</sup> <https://www.setheroapp.com/blog/film-incentives-state-by-state-breakdown-2021/>

<sup>4</sup> <https://www.setheroapp.com/blog/film-incentives-state-by-state-breakdown-2021/>

<sup>5</sup> 15-31-1010(2)(a), MCA Enacted May 14, 2021. Increased the cap from \$10M to not exceed \$12M per calendar year.

<sup>6</sup> <https://variety.com/2019/artisans/production/new-mexico-production-incentives-tax-credit-1203197117/>

location tours, and merchandise.<sup>7</sup> New Mexico is growing a workforce to staff the film industry. The state is home to ten film and television related educational programs at the college level that include crew training programs, production programs, post production programs, and specialized programs in areas of animation, cinematography, creative writing, performing areas, and visual effects.<sup>8</sup> Additionally, at least three high school programs offer instruction to prepare students for a career in the film and television industry.<sup>9</sup> A 2016 study outlined the infrastructure developing within the state to bring in and meet the needs of film production. **Table 2** provides information on the film studios along with the location, the development period, and investment costs.

**Table 2. New Mexico Investment in Film and Television Related Infrastructure.**<sup>10</sup>

Facility	Description
<b>Albuquerque Studios:</b>	Construction of Albuquerque Studios began in 2006 and was completed by April 2007. The studio was associated with an initial investment of \$114 million.
<b>I-25 Studios:</b>	Had its beginnings as the former Philips semiconductor plant which was used as a location for film and television productions. The facility was purchased from Philips in 2006 and transformed into I-25 Studios. Over the last six years, more than \$1.35 million has been reinvested in improvements at the facility.
<b>Santa Fe Studios:</b>	Opened in November 2011. The costs associated with its construction amounted to \$30 million, of which \$10 million was a state contribution. Garson Studios is an established facility located on the campus of Santa Fe University of Art and Design in New Mexico. The studios include 24,000 square feet of sound stages and 3,500 square feet of office space, as well as casting facilities, parking and back-lot space. <sup>11</sup>
Additional film and television-related infrastructure spending is anticipated for several new and existing facilities. Proposed projects include an expansion of Santa Fe Studios, a new production studio in the city of Roswell, and the construction of a sound stage in the city of Las Cruces.	
<b>Roswell Movie Studios:</b>	This film and television-related infrastructure project consists of a new studio located on 120 acres north of the city of Roswell, with an additional five acres parcel reserved for a hotel. The current business plan for this new studio calls for a \$6 million spend.
<b>Las Cruces – Sound Stage:</b>	The city of Las Cruces has passed a resolution for the expansion of their convention center, which would include an exhibition hall that could also serve the film and television industry. Furthermore, the resolution also has the city putting aside \$5 million for the construction of a stand-alone sound stage in the future.

Source: *New Mexico Film Production Tax Incentive Study, Phase III Report, July 2016.*

According to New Mexico’s Economic Development Department, 26 film, 24 television, and 19 other media projects have been produced in 2020 despite the pandemic.<sup>12</sup> A press release by the New Mexico Governor’s office July 19, 2021, announced that, “despite the global shutdown of production due to the COVID-19 pandemic [the New Mexico Film Office] has recorded an estimated \$623 million in direct spend by film and television

<sup>7</sup> <https://nmfilm.com/wp-content/uploads/2018/10/MNP-Film-Study-Phase-III-20161.pdf> pg. 15.

<sup>8</sup> Ibid.

<sup>9</sup> Ibid.

<sup>10</sup> <https://nmfilm.com/wp-content/uploads/2018/10/MNP-Film-Study-Phase-III-20161.pdf> pg. 5.

<sup>11</sup> Retrieved from <http://garsonstudios.com/about-garson-studios/> other citations omitted.

<sup>12</sup> <https://www.dailymail.co.uk/news/article-9815851/Major-studios-built-studios-New-Mexico-advantage-35-tax-incentive-Hollywood.html>

productions in New Mexico, breaking all previous records for the state.”<sup>13</sup> The industry supports 9,000 jobs with “approximately 75% of the below-the line crew were N.M. residents with an average wage of over \$56,000 annually.”<sup>14</sup> In 2019, New Mexico more than “doubled its annual cap on its 25% to 30% refundable tax credit – from \$50 million to \$110 million.”<sup>15</sup> One of the more significant events in New Mexico filmmaking occurred in October 2018 as Netflix committed to moving its production hub to the Albuquerque New Mexico studio (the state’s largest soundstage complex). Netflix plans to purchase the studio and is expected to spend \$100 million every year on production in the state for the next 10 years.<sup>16</sup> In June of 2021, NBCUniversal cut the ribbon at the opening of its new production studio in Albuquerque and committed to a \$500 million in direct production spend over the next 10 years and 330 full-time equivalent jobs in New Mexico which is a total impact of \$1.1 billion over 10 years.<sup>17</sup> For its part, the State of New Mexico Economic Development Department committed \$7.7 million through the *Local Economic Development Act* (LEDA) while the City of Albuquerque committed another \$3 million from its LEDA fund to the public-private partnership.”<sup>18</sup> The direct and indirect total number of jobs is expected to exceed 800 annually according to state economic analysis.<sup>19</sup> See **Table 3** and **Table 4** for New Mexico’s Film Production Tax Credits for fiscal years 2021 and 2020.

**Table 3. New Mexico Film Production Tax Credits 2021**<sup>20</sup>

Film Production Tax Credits Issued Fiscal Year 2021			
New Film Tax Credit		Film Tax Credit	
July			<b>FY 2021 Allowable Film Fund</b>
August			\$130,000,000.00
September	\$15,427.32	\$967,735.50	<b>FY 2021 Claimed/Paid</b>
October	\$39,872.87	\$1,286,167.93	\$13,133,170.70
November		\$82,494.28	<b>Remaining FY 2021 Film Fund</b>
December	\$1,290,205.00	\$326,841.51	\$116,866,829.30
January	\$612,301.89	\$2,380,895.69	Film Tax Credit claim amount authorized for payment is one hundred ten million dollars (\$110,000,000) and an additional twenty million dollars (\$20,000,000) for FY2021
February		\$4,496,654.56	
March		\$1,010,618.69	
April	\$623,371.58	\$583.88	
May			
June			

<sup>13</sup> [https://gonm.biz/uploads/documents/pressReleases/NMFO\\_Press\\_Release\\_Direct\\_Spend\\_FY21.pdf](https://gonm.biz/uploads/documents/pressReleases/NMFO_Press_Release_Direct_Spend_FY21.pdf)

<sup>14</sup> [https://gonm.biz/uploads/documents/pressReleases/NMFO\\_Press\\_Release\\_Direct\\_Spend\\_FY21.pdf](https://gonm.biz/uploads/documents/pressReleases/NMFO_Press_Release_Direct_Spend_FY21.pdf)

<sup>15</sup> <https://variety.com/2019/artisans/production/new-mexico-production-incentives-tax-credit-1203197117/>

<sup>16</sup> [Ibid.](#)

<sup>17</sup> [Ibid.](#)

<sup>18</sup> <https://www.krqe.com/news/business/ribbon-cutting-to-take-place-for-nbcuniversal-new-mexico-production-studio/>

<sup>19</sup> [Ibid.](#)

<sup>20</sup> <https://www.tax.newmexico.gov/tax-professionals/tax-credits-overview-forms/film-production-tax-credit/>

<b>Total</b>	<b>\$2,581,178.66</b>	<b>\$10,551,992.04</b>	
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Source: New Mexico Taxation and Revenue

**Table 4. New Mexico Film Production Tax Credits 2020** <sup>21</sup>

Film Production Tax Credits Issued Fiscal Year 2020				
New Film Tax Credit		Film Tax Credit	Backlog	
July				<b>FY 2020 Allowable Film Fund</b>
August				\$110,000,000.00
September		\$1,965,4803.57	\$19,659,737.30	<b>FY 2020 Claimed/Paid</b>
October		\$633,917.27	\$9,012,821.10	\$26,923,692.00
November		\$213,833.32		<b>Remaining FY 2020 Film Fund</b>
December		\$2,813,231.16		\$28,672,558.40
January		\$6,186,173.15		Film Tax Credit claim amount authorized for payment is one hundred ten million dollars (\$110,000,000) and an additional ninety-five million dollars (\$95,000,000) allowed for projects awaiting payment due from prior year for FY2020
February		\$147,502.12		
March				
April		\$486,181.75		
May	\$124,528.64	\$123,462.49		
June	\$10,699.15	\$14,218,682.39		
<b>Total</b>	<b>\$135,227.79</b>	<b>\$26,788,464.22</b>	<b>\$28,672,558.40</b>	

Source: New Mexico Taxation and Revenue

### Canada's Film Incentives

Canada is also a major player in film, television, and interactive digital media production.<sup>22</sup>

The growth of Canada's multibillion-dollar production industry is attributable to [the] high-standard facilities, competent workforce, physical and cultural proximity to the United States, as well as many favourable economic factors. These include lower location and production costs than in the US and Europe, a good exchange rate, and advantageous government tax incentives and funding policies.<sup>23</sup>

Canada offers incentives both at the federal and provincial levels. See **Table 5** for the federal incentives, as well as the two western provinces closest to the United States: Alberta and British Columbia. In January 2021, in an effort to, "attract big-budget productions from the world's largest studios and streamers, and create new jobs within the film and TV sector," Alberta removed the \$10M per project cap on its "film and TV tax credit and

<sup>21</sup> <https://www.tax.newmexico.gov/tax-professionals/tax-credits-overview-forms/film-production-tax-credit/>

<sup>22</sup> <https://www.dentons.com/-/media/pdfs/guides-reports-and-whitepapers/producing-in-canada-guide.pdf> pg.4.

<sup>23</sup> <https://www.dentons.com/-/media/pdfs/guides-reports-and-whitepapers/producing-in-canada-guide.pdf> pg.4.

provided a \$19.5M cash injection to the budget.”<sup>24</sup> According to the same report, “just over 30 mid-to-large budget productions across film and TV have used the tax credit since its launch,” with an, “anticipated spend of \$177.6M and 3,300 local jobs generated.”<sup>25</sup> British Columbia hosted 384 productions in the 2018/19 production year and considers their Province to have some of the most generous basic tax credits for film, television, animation and special effects in the world. In the 2018/19 fiscal year, British Columbia credits the incentives impact for “71,000 jobs and an economic impact of \$3.2B.”<sup>26</sup> **Table 5.** Provides the Canadian federal and province film incentives.

**Table 5. Canadian Film Incentives**

State	Type of incentive	Amount	Detail	Fees
<b>Federal</b>	Production Tax Credit	25% of qualified labor (maximum 15% of total production costs.)	<b>Entity:</b> Canadian-controlled taxable corporation whose primary business is production of films and/or videos through a permanent establishment in Canada. <b>Content/copyright:</b> Minimum Canadian content requirement. Must own copyright for at least 25 years. Must be broadcast or distributed in Canada within two years of completion. <b>Other:</b> 75% of production services costs must be paid to, or on behalf of, Canadian individuals or companies, and at least 75% of post-production costs must be incurred in Canada.	0.15% of eligible production costs for a Part A application or Part B application, or 0.30% of the eligible cost of production for a combined application (minimum fee \$208).
<b>Federal</b>	Production Services Tax Credit	16% of qualified Canadian labor (no maximum).	<b>Entity:</b> Taxable corporation with a permanent establishment in Canada whose primary business is production of, or production services for, films and/or videos in Canada. <b>Content/copyright:</b> No Canadian content restrictions. Must have contracted directly with the copyright holder for production services if copyright owner does not qualify for credit. <b>Other:</b> Production must meet a cost minimum.	\$5,212, with rebate available if aggregate credit related to a production is under \$25,000. Minimum fee after rebate is \$1,042.
<b>Alberta</b>	Tax Credit	22% (no Alberta ownership is required) or 30% of eligible Alberta production costs (no maximum; maximum of \$10Million/project before	<b>Entity:</b> Taxable corporation incorporated or registered in Alberta, and engaged primarily in film, television, or digital media production. <b>Content/copyright:</b> Not content restrictions. For the 30% credit, must have Alberta-based copyright owner (at least 50%) for minimum of 10 years after completion.	No fee for application or receipt of funding.

<sup>24</sup> <https://playbackonline.ca/2021/03/29/alberta-removes-10m-cap-on-film-tv-tax-credit-increases-202122-budget/>

<sup>25</sup> <https://playbackonline.ca/2021/03/29/alberta-removes-10m-cap-on-film-tv-tax-credit-increases-202122-budget/>

<sup>26</sup> <https://www.investkelowna.com/blog/tax-incentives-add-fuel-bcs-film-and-television-industry/>



		January 19, 2021) No max cap after 1/19/21.	<b>Other:</b> Once authorization letter is issued, principal photography must start within 6 months and production must be completed within 42 months. Minimum total production costs of \$499,999.	
<b>British Columbia</b>	Film Incentive Tax Credit	35% of qualified BC labor (maximum: 21% of total production costs). <sup>27</sup>	<b>Entity:</b> Canadian-controlled taxable Canadian corporation with a permanent establishment in BC in business of production of Canadian films or videos. <b>Content/copyright:</b> Minimum Canadian content requirement. Must own more than 50% of the copyright throughout the taxation year. Must be released in Canada within two years of completion. <b>Other:</b> 75% minimum BC principal photography days. 75% BC cost restrictions. 75% BC post-production cost restrictions (except for treaty and inter-provincial co-productions and documentaries). Eligible BC scriptwriting labor must be incurred before the end of the final script stage.	\$200 for eligibility application and 0.06% of final production costs (minimum \$200) for completion application
	Production Services Tax Credit	28% of qualified BC labor expenditure (no maximum). <sup>28</sup>	<b>Entity:</b> Taxable corporation with a permanent establishment in BC, whose primary business is production of films or video. <b>Content/copyright:</b> No content restrictions. Must own copyright while production occurs in BC, or must have contracted directly with copyright holder for provision of production services. <b>Other:</b> Production must meet a cost minimum. Only costs incurred in BC are eligible.	\$10,000 for projects that start principal photography after February 18, 2020.

Source: PricewaterhouseCooper Canada: Media and production tax credits.<sup>29</sup>

If you need anything further, please contact LSO Research at 777-7881.

<sup>27</sup> To include variable credits based on British Columbia regional qualified labor %, distant location, training of qualified labor, regional eligible scriptwriting, and BC digital animation, visual effects and post production.

<sup>28</sup> To include variable credits based on British Columbia regional qualified labor %, distant location, training of qualified labor, regional eligible scriptwriting, and BC digital animation, visual effects and post production.

<sup>29</sup> <https://www.pwc.com/ca/en/entertainment-media/publications/big-table-film-video-2021-en.pdf>