

Executive Summary

The Louisiana Film and Entertainment Association (“LFEA”) and Motion Picture Association of America, Inc. (“MPAA”) commissioned HR&A Advisors, Inc. (“HR&A”) to conduct a statewide economic and fiscal impact analysis of the Louisiana State Motion Picture Investor Tax Credit (the “Credit”). In its current state, the Credit consists of a 30% base tax credit on qualified production spending and an additional 5% credit for payroll expenditures to Louisiana residents.

For this analysis, HR&A examined three primary sources of economic impacts:

1. The ongoing economic impacts of production spending attributable to the Credit.
2. The ongoing visitor spending attributable to motion picture- and television- induced tourism.
3. The one-time economic impacts of infrastructure investments in facilities that support the motion picture and television production industry.

These economic impacts were measured in terms of employment, personal income, and economic output generated in Louisiana.

Summary of Findings

- Since the introduction of the Credit in 2002, qualified production spending in Louisiana has increased dramatically to an estimated full Credit Year 2013 production spend of **\$1.039 billion**.
- Following the enactment of the Louisiana Motion Picture Investor Tax Credit, total Louisiana motion picture and television employment increased by **594.4%** from **868 jobs in 2002** to **6,029 jobs in 2013**. During the same period, total U.S. motion picture and television employment increased by only **12.4%**.
- The Credit has enabled Louisiana to capitalize on a number of success factors, including diverse locations; rich culture and quality of life; low operating costs, including low cost of living for crew; presence of crew, equipment suppliers, and infrastructure; ease of filming; temperate weather; and positive word of mouth and “repeat business.”
- In 2013, production spending associated with the Credit supported **10,800 jobs** in Louisiana across all industries, generating **\$471.2 million** in personal income and **\$1.586 billion** in economic output in Louisiana.
- Based on a survey of 1,381 recent visitors to Louisiana, **14.5%** of domestic, out-of-state, leisure visitors can be considered motion picture- and/or television- induced tourists. This figure is based on the percentage of survey respondents who indicated that their awareness **positively affected** their decision to visit Louisiana, was **“very important”** to their decision, did **at least one film- or television-related activity** while they were in the state; and chose to **extend their stay** for reasons related to things they had seen on films, television shows, and/or documentaries shot there.
- In 2013, visitor spending attributable to motion picture- and television- induced tourism in the state supported up to **22,720 jobs** in Louisiana across all industries, generating up to **\$766.6 million** in personal income and up to **\$2.401 billion** in economic output in Louisiana.
- Overall, in 2013, including both production spending and visitor spending attributable to motion picture- and television- induced tourism, the Credit supported up to **33,520 jobs** in Louisiana across all industries, generating up to **\$1.238 billion** in personal income and up to **\$3.987 billion** in economic output in Louisiana.

- The one-time economic impacts of upgrades to production infrastructure in 2012 and 2013 supported **160** jobs across all industries, generating **\$8.7 million** in Louisiana personal income and **\$21.7 million** in economic output in Louisiana.
- In 2013, production spending and visitor spending associated with motion picture- and television-induced tourism together generated state tax revenues of up to **\$95.1 million** and local tax revenues of up to **\$85.9 million**, for a **combined total of up to \$181.0 million in state and local tax revenues**.
- This total tax revenue of up to \$181.0 million generated by Motion Picture Investor Tax Credit can be compared against the cost to the state as measured in one of two ways. The first method, used by the Louisiana Department of Revenue, is to consider the total Motion Picture Investor Tax Credits *redeemed* (applied to tax returns or bought back) in 2013. In 2013, these credits totaled **\$178.9 million**. The second way, used by Louisiana Economic Development, is to consider the total Motion Picture Investor Tax Credits *finally certified* in 2013, discounted to reflect the buy-back program. In 2013, these credits totaled **\$246.6 million**.