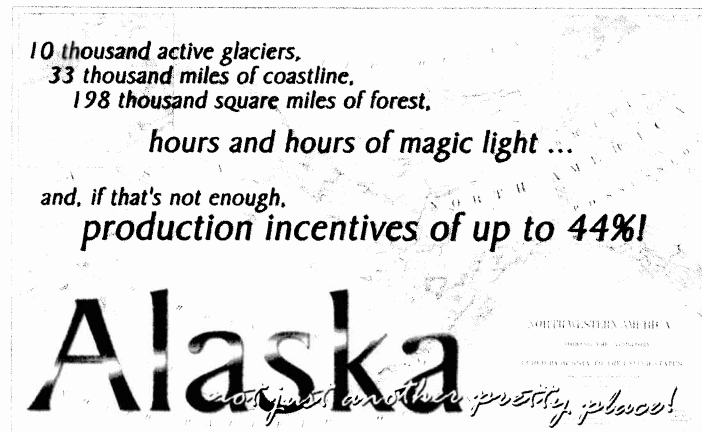


# Here's Looking At You Alaska



Alaska's film and television industry has received a lot of attention lately due to the recently wrapped filming of "Everybody Loves Whales" and "Ghost Visions" along with several Alaska-specific television shows.

In addition to the pioneer of Alaska reality television, "Deadliest Catch", Alaska has been featured in "The Alaska Experiment", "Gold Rush Alaska", "Flying Wild Alaska", "Alaska State Troopers", "Ax Men", the recently debuted "Flying Wild Alaska" and many others.

Thanks to the Alaska Film Production Incentive Program, what may have been a small one time occurrence has started to take hold in Alaska and is on its way to becoming a full formed industry. The Alaska Film Production Incentive Program was created by legislation sponsored by Senator Johnny Ellis and supported by the legislature and the governor's office. Implemented by the state Department of Commerce, Community and Economic Development through the Alaska Film Office, the program offers eligible television and film productions tax credits from 30-44% depending on several factors including the time of the year the production is filmed, where in Alaska it is filmed and Alaska hire.

Alaska Film Industry Tax Credits are also helping Alaska businesses with their tax liabilities. Because film and television productions are unlikely to owe Alaska Corporate Income Taxes, producers sell their tax

credits to Alaska businesses at a discount (usually 80 to 90 cents on the dollar). Those businesses receive full "face value" for those credits, thus saving 10% to 20% on their Alaska Corporate Income Taxes. The film office is building a list of interested companies, with more asking to be added regularly.

As of January 1, 2011, fourteen film industry tax credits have been approved for \$2.14 million based on qualified Alaska spending of \$6.6 million, and that is

only the tip of the iceberg. Currently there are 30 productions pre-qualified for estimated tax credits of \$29.5 million based on over \$88.5 million of in-state spending if all projects complete production within their estimated budgets. That represents a large amount of money spent in state that in the past would have gone to other places like British Columbia, Maine or other states that have often stood in as Alaska.

The current program has a credit cap of \$100 million and is set to expire July 1, 2013, but Senator Ellis has introduced legislation to extend the program by ten years and continue the \$100 million incentive funding for each five year period.

TAX CREDIT	VALUE	REQUIREMENTS
Base Credit	30%	Production expenditures must be made in Alaska.
Alaska Hire	+ 10%	Wages paid to Alaska residents receive an additional 10% credit.
Seasonal	+ 2%	Production expenditures made between Oct. 1 and Mar. 30 receive an added 2% credit.
Rural Location	+ 2%	Production expenditures made in a rural area also receive an added 2% credit.
<b>Maximum Possible Credit</b>	<b>44%</b>	Portions of a production with an Alaskan crew, filmed in rural Alaska between October and March.