

FISCAL NOTE

2008 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: CSSSSB 230(L&C)
 (S) Publish Date: 2/15/08

Identifier (file name): SB230SS-CED-OED-02-04-08 Dept. Affected: DCCED
 Title Film Office/Film RDU Comm Assist & Ec Dev (405)
Production Tax Credit Component Office of Economic Development
 Sponsor ELLIS, Stevens
 Requester Senate Labor & Commerce Component Number 2743

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
		FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES							
Personal Services	150.0	25.0	175.0	175.0	175.0	175.0	175.0
Travel	20.0	3.0	23.0	23.0	23.0	23.0	23.0
Contractual	100.0	5.0	105.0	105.0	105.0	105.0	105.0
Supplies	5.0		5.0	5.0	5.0	5.0	5.0
Equipment	15.0		15.0	15.0	15.0	15.0	15.0
Land & Structures							
Grants & Claims							
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	290.0	33.0	323.0	323.0	323.0	323.0	323.0

CAPITAL EXPENDITURES							
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CHANGE IN REVENUES (1004)	**	**	**	**	**	**	**
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	290.0	33.0	323.0	323.0	323.0	323.0	323.0
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	290.0	33.0	323.0	323.0	323.0	323.0	323.0

Estimate of any current year (FY2008) cost: 0.0

POSITIONS

Full-time	1.00	0.25	1.25	1.25	1.25	1.25	1.25
Part-time							
Temporary	1	1	1	1	1	1	1

ANALYSIS: (Attach a separate page if necessary)

This legislation would create a transferable tax credit to be applied to certain film production expenditures made in Alaska and establishes a film office in the Department.

The base tax credit would be 25% of qualified expenditures with an additional 10% of qualified expenditures that are Alaska wages, an additional 1% for expenditures made in a rural area, and an additional 1% for expenditures made in the state between October 1 through March 30. The minimum spending amount would be set at \$50,000; there would be no maximum amount of credit that can be taken.

Prepared by: Joe Austerman, Manager Phone 907.269.4568
 Division Office of Economic Development Date/Time 2/4/08 6:21 PM
 Approved by: Emil R. Notti, Commissioner Date 2/4/2008
Commerce, Community, and Economic Development

FISCAL NOTE #2

**STATE OF ALASKA
2008 LEGISLATIVE SESSION**

BILL NO. CSSSSB 230(L&C)

ANALYSIS CONTINUATION

Duties of the office would include: expanding the film production industry; promoting Alaska as a film location; providing production, permitting and location scouting assistance; certifying a production internship training program in conjunction with the University of Alaska; administering the incentive program; and preparing an annual report to the legislature.

To fulfill the duties established in the bill, the Department would keep the one-quarter existing position in the Office of Economic Development to supervise staff and prepare annual marketing and business plans, and would hire one new Development Specialist and a temporary college intern. Travel costs are estimated to cover in-state, out-of-state, and international travel for trade shows, visits to production companies, producer familiarization tours, training, meetings with in-state film industry and communities, and to provide production and location services to filmmakers (connecting filmmakers to Alaska contractors). Contractual expenditures would include web site development; marketing plan development; photo purchases; development of a production guide, promotional materials, limited advertising creative and placement; printing, workshops, location and other related services. Miscellaneous expenditures would include staff training, memberships, and subscriptions.

Change in Revenue: The department is not able to determine the impact the transferable tax credit would have on the general fund. Unknown are the number of productions that would apply for the transferable tax credit and the amount that qualified producers would spend in the state. Also unknown are the maximum amount of transferable tax credit that can be given per production and the maximum amount of tax that can be given for all productions.