



### Film Industry Financial Incentive (FIFI)

**A footnote relating to travel and tourism; repealing sunset for film industry financial incentives program; creating an account; providing expanded use for branded entertainment; and providing for an effective date.**

***This footnote is revenue neutral.***

#### Introduction:

The FIFI program has already helped to enhance Wyoming’s presence in film and television, but it is not yet the industry powerhouse it could be. Extending the sunset allows us to explore the possibilities and enhance Wyoming’s presence as a production location and a vacation destination via the film and entertainment industry.

#### Current Legislation Recap:

- The Film Industry Financial Incentive (FIFI) program is a result of a Wyoming industry task force exploring economic development opportunities in Wyoming.
- Passed in February 2007 and reauthorized in 2011, the program is a cash rebate for production companies of up to 15% on dollars spent in Wyoming during a film shoot.
- Currently, the production company must spend a minimum amount of \$200,000 to qualify.
- When film or ad companies work in Wyoming, the production company contributes significantly to the local economy through local crew hires, rentals and purchases.
- Viewing Wyoming locations/tourism destinations on the motion picture or television screen also impacts potential tourists significantly, and may affect their decision to visit Wyoming.

#### Program Results (inception to date):

- Growing Local Economies – production companies have spent a total of \$10.3 million dollars purchasing good and services from Wyoming businesses while on location, generating \$190,879 in state sales tax alone.
- Eyes on Wyoming – FIFI approved film projects have worldwide distribution via theatrical release, Sportsman Channel, Wild TV, Outside TV, the New York Times, National Geographic Channels and affiliates, PBS, NBC World of Adventure Sports, VOD channels like Vimeo and iTunes, as well as DVD sales and various social media channels.
- The Marketing Connection –Whether large screen or small screen, this content is viewed by millions of potential travelers each year, and acts as a form of Wyoming tourism marketing, enhancing and extending our marketing budget. By comparison, purchase of programming on National Geographic equates to \$530,640 and NBC Sports Network equates to \$129,060 for a single one-hour episode.
- Jobs for Wyoming Residents – 296 local crew hires totaling over \$5.6 million in wages for Wyoming workers.

#### FIFI Budget Break-Down:

<b>Total Appropriations</b>	\$ 3,800,000
<b>Reductions/Reversion</b>	\$ 1,611,423
<b>Paid Out</b>	\$ 1,474,426
<b>Encumbered</b>	\$ 431,474
<b>Remaining FIFI Balance as of 12/31/15</b>	\$ 282,677

## Making FIFI Smarter:

- **Branded Entertainment:** Branded entertainment means additional co-marketing opportunities. Recent examples include the partnership with Disney Pixar for *The Good Dinosaur*, or current efforts with *Red Bull*. This new form of investment will make FIFI one of the most nimble film incentives in the world, allowing for opportunistic marketing opportunities by aligning Wyoming brand with other marketing savvy brands. In short, this change will generate more Wyoming marketing exposure with the same funds.

## Testimonials from Production Companies:

- **Red Bull Media House, Santa Monica CA:** *“The Wyoming Film Incentive was the determining factor in deciding to have our production hub based in Wyoming vs. California. Having a film incentive is a key consideration which allows RBMH to reinvest funds back into a production and turn ordinary to extraordinary content.”* – Chad Stanley, Line Producer
- **Teton Gravity Research, Jackson WY:** *“[FIFI] has been instrumental in our business bringing commerce and employment to Wyoming. We employ over 32 employees on payroll plus up to another 30 short term contractors throughout the course of a year. I would strongly recommend that the program is continued into 2016 and beyond to support the exposure of Wyoming to the world and continue to bring people to our magnificent state.”* – Brett Hills, CFO
- **Quentin Tarantino, Writer/Director of *Django Unchained*:** *“Wyoming was a fantastic place to shoot. It's beautiful country. If you're doing a western that requires you to be in beautiful, rugged terrain, it's a glorious place to go. It screams 'America.' It's really gorgeous.”*

Film incentive programs exist worldwide including 34 U.S. states and they are all structured differently offering 5%-35% in tax incentives, transferable credits and cash rebates. There have been numerous conversations about the benefits and challenges associated with state incentive programs. Here are some of those discussions and how Wyoming's program stacks up.

- *Film incentives don't create permanent jobs or enough tax revenue to offset their cost (Source: Hartford Courant)*
  - **Wyoming's film incentive program** was set up at a competitive level of 12%-15% with the intent to promote economic development and a diversified state economy; provide new employment opportunities for Wyoming workers; and provide public visibility of Wyoming as a tourist or business destination.
- *Questionable data, hard to find exact impact of in-state film production (Source: Governing Magazine)*
  - **Wyoming's film incentive data** is provided by the production company through contractual requirements of submitting receipts for all in-state expenditures and all Wyoming crew hires. Those expenditures go through an auditing process before any data is published.
- *Management and oversight of state film incentive programs (Source: Governing Magazine)*
  - **Wyoming's film incentive program** requires production companies to enter in to a contractual agreement with the Wyoming Office of Tourism (WOT), which is approved by the Attorney General and agree to FIFI rebate requirements. After production is complete the company must submit qualified expenditure receipts that are audited by the WOT Director of Business Operations and the Wyoming Business Council Comptroller before any payment is received. An annual FIFI report is submitted to the Joint Appropriations Committee.
- *Transferable tax credits being redeemed at a later date (Source: Governing Magazine)*
  - **Wyoming's film incentive program** is a cash rebate and is only subject to be paid out once contractual agreements are fulfilled and expense receipts audited. A review committee determines the eligibility of each project and funds are only encumbered for approved projects.