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House O.K.'s New Breaks for Filming

Illinois lawmakers moved closer Thursday to approving a bill that would lure more movie and television production business to the state.

Legislation that would provide a 20-percent tax break on all production-related spending in the state cleared the House on Wednesday, and moved out of a Senate committee Thursday. The package was expected to get Senate approval late Thursday or today. The proposed legislation also provides an additional 15 percent tax credit for hiring workers from economically depressed areas.

Currently, such productions get a 25-percent break on some wages paid to Illinois residents. In recent years, other states and municipalities have upstaged Illinois with more attractive packages to lure the jobs and tourism revenue that such exposure brings. New York City, for example, this year enacted a 5 percent credit on all production spending, in addition to the 10 percent credit the state already offered.

"This bill is going to create a huge economic boom," said bill sponsor Rep. Ken Dunkin (D-Chicago). "This is, by far, the most comprehensive and far-reaching job-creating initiative ever coming out as it relates to film industry jobs."

It would cost the state about \$10 million in tax credits, but could triple the amount of film production business the state receives, helping Illinois lure about \$300 million a year in production and 35,000 jobs within the next two years, compared with the low of \$26 million and 6,000 jobs Illinois attracted in 2002, proponents say.

This version of the bill, which sunsets Jan. 1, 2008, is without a proposed five percent credit designed to benefit a planned West Side Chicago soundstage that the Senate favored. "We're not going to cry about [losing it]," said film producer John Digles, a board member of the Illinois Production Alliance industry group. "This is a strong statement for Illinois." The latest incarnation will expire about a year sooner than the film industry had pushed for, and strips some security from television productions that want to be able to film in a location for a few years before changes in the incentive structure.

Still, if signed by the governor, as expected, the new incentives will make Illinois one of the most attractive states for filming, advocates say.