



**November 11, 2008**

## **Keep the cameras rolling**

Last summer's Batman saga, "The Dark Knight," was a worldwide hit and a boon to Chicago, where it was filmed. The production spent some \$40 million locally.

"The Dark Knight" was part of a very good year on screen for Chicago. Vince Vaughn's "Fred Claus," Angela Bassett's "Meet the Browns," and Angelina Jolie and Morgan Freeman's "Wanted" were also shot here.

All told, the film industry spent a record \$155 million in Illinois in 2007, generating about \$390 million in economic activity and employing thousands of people.

This year will be nowhere near as good and next year looks bleak. There are a lot of factors that determine where a film is shot. But there is one that Illinois can significantly influence: the cost of doing business here.

Illinois provides a 20 percent tax incentive for film productions, but some competing states and cities provide more. (Michigan created a 42 percent credit this year and New York provides a 35 percent break.)

And the Illinois tax break is about to expire. It disappears Dec. 31.

Here's how the credit works. When a film wraps up production, it submits a complete tally of money it spent in Illinois. The state audits the expenditures, and then credits the filmmakers for 20 percent of the spending. That credit can be used to cover taxes owed the state. It can also be sold to other firms that do business in the state—JPMorgan Chase, for instance, is a big buyer.

The film credit is generally considered to be successful. The Illinois legislature, though, has failed to renew it for 2009. An extension of the tax credit needs to be a priority when lawmakers go back into session this week. Allowing the credit to expire will jeopardize the film industry in this state.

Since Michigan approved its incentive in April, that state has authorized 56 films. The Michigan Film office estimates that if all those movies are made, the state will reap \$352 million in film production spending.

Only eight major productions came to Illinois in 2008. And competition is likely to grow as other states offer tax incentives.

Illinois has advantages that other Midwest states can't match—such as the architecture and scenery of Chicago and ready transportation access provided by O'Hare International Airport. It doesn't necessarily have to match the kind of huge incentive offered by Michigan. But it does need to be competitive on costs.

A film in town puts people to work: Grips and camera operators, make-up artists and costume designers, carpenters experienced in set construction and caterers familiar with supplying a movie shoot. Hotels, spas, boutiques and restaurants also benefit from the spending by out-of-towners on location.

So when lawmakers go back on location—Springfield—they need to deal with this. Don't let the Illinois film industry go dark.