

FOR IMMEDIATE RELEASE
May 29, 2006

Governor Blagojevich Sets the Stage for More Film and Television Productions Coming to Illinois

Expanded Film Tax Credit Will Help Attract More Movies and Television Productions, Jobs and Revenue to Illinois

CHICAGO – Expanding on the tremendous recent growth of the Illinois film industry, Gov. Rod R. Blagojevich helped ensure the revitalization of movie and television production in Illinois continues by enhancing the successful film and television production tax credit. Much of this success is due to the legislation signed by the Governor in 2003. Today, Gov. Blagojevich signed Senate Bill 2030 at the Chicago premiere of Universal Pictures' *The Break-Up*, a romantic comedy that was filmed last summer in Chicago starring Vince Vaughn and Jennifer Aniston. Senator Rickey Hendon (D-Chicago), State Senator Kwame Raoul (D-Chicago), State Rep. Marlow Colvin (D-Chicago) and State Rep. Ken Dunkin (D-Chicago) were sponsors of SB 2030.

“Over the past three years, we have shown Hollywood that Illinois has everything a production needs – great cities, great locations and great actors and crews. Our film tax credit has helped bring new productions to our state, which have pumped millions of dollars into our economy and put thousands of talented people to work. With this new bill, we can do even more to attract the industry to Illinois and create more jobs,” Gov. Blagojevich said.

In 2003, before the legislation took effect, film production in Illinois had declined to approximately \$26 million as studios looked for less expensive locations. This meant that thousands of Illinois-based cast and crewmembers were largely without work within their professions.

The film tax credit passed by the General Assembly and signed by Gov. Blagojevich turned these fortunes around over the last two years by making Illinois productions even more attractive. By 2004, productions generated an estimated \$77 million and led to approximately 14,000 people being hired by the industry. In 2005, production revenue increased to an estimated \$94 million, which

led to approximately 15,000 people being hired by film and television projects. But this business has become even more competitive over the past several years, which is why the Governor supported and signed this new legislation that will continue the flow of film and television projects into Illinois.

The primary change in the tax credit is to make it a 20 percent credit on total Illinois production spending, rather than Illinois film production wages. Illinois production spending would be defined as all salary and expense costs associated with production activities taking place within the state. This can include salaries, spending with local vendors and lodging. Labor costs incorporated into Illinois production spending would be capped at \$100,000 per individual. Expenses tied to activities taking place outside Illinois, or related to travel into or out of the state (i.e. – airline tickets), would not be covered.

"This legislation will provide greater exposure to not just the city of Chicago, but for all of Illinois. Senate Bill 2030 ensures that when a movie is set in Chicago, it is financially possible for a studio to film in Chicago," State Senator Rickey Hendon (D-Chicago) said.

"Film and television productions bring a lot more than just famous Hollywood stars to Illinois. This critical industry helps put thousands of people to work and generates millions of dollars for our economy. This expanded tax credit will attract even more first-class productions to Illinois," State Rep. Marlow Colvin (D-Chicago) said.

"Part of my commitment to being elected a legislator was to help bring jobs to the State of Illinois. During these challenging fiscal times, we must continue to take advantage of all of our assets that promote economic growth. Illinois has proven that we have what it takes to compete for all kinds of movie and television productions, but Gov. Blagojevich and I know that we must tailor our financial support to meet the changing needs of this important industry," State Rep. Ken Dunkin (D-Chicago) said.

To qualify, minimum Illinois film and television production spending would have to be greater than \$100,000 and minimum Illinois commercial production spending would have to be greater

than \$50,000. It would also continue encouraging the hiring of Illinois residents from economically disadvantaged areas.

The current Illinois Film Production Tax Credit provides a 25 percent tax credit on wages paid by a production company to each employee that is an Illinois resident. The credit is limited to the first \$25,000 in wages.

"This new legislation will be another important boost for Illinois film and television production, which translates into thousands of jobs for cast, crew members, back office staff and other workers connected to our industry. We salute and appreciate Gov. Blagojevich's strong leadership, and we will continue the partnerships that have been so successful over the last several years," Illinois Production Alliance President and AFTRA/SAG-Chicago Executive Director Eileen Willenborg said.

Over the past year, a cross section of Hollywood studios have delivered the production and filming of tomorrow's big screen hits to the state, including *The Lake House*, *The Break-Up* and *Stranger than Fiction*. Already, the critically acclaimed television series *Prison Break*, the state's first dramatic television series in six years, has captivated audiences nationwide.

Productions in 2005 included *Prison Break* (FOX Television), *The Lake House* (Warner Bros.), *Stranger Than Fiction* (Mandate Pictures), *The Break-Up* (Universal Pictures), *Drunk Boat* (Magnificent Mile Productions, Ltd.) and *You Are Going to Prison* (Prison Pictures, LLC). Theater marquees have also been lit up with a variety of other recent movies filmed in Illinois, including *The Weather Man*, *Ice Harvest*, *Ocean's 12*, *Batman Begins*, *Derailed* and *Roll Bounce*.

Already in 2006, there are eight film and television productions that have or are currently filming or are slated to film in Illinois. Productions include independent films *Grace is Gone* starring John Cusack and *Butter Fly On a Wheel* with Pierce Brosnan, *Enemies* (Touchstone Pictures television pilot), *Prison Break* (FOX Television), *Judge Mathis* (Warner Bros.), *ER* (Warner Bros.), *Design on a Dime* (HGTV) and *Design to Sell* (HGTV).

“Film and television production helps spur economic development and job creation in Illinois, and Gov. Blagojevich knows that we must keep this industry strong to continue hearing ‘lights, cameras and action’ in our state. These three simple but important words put thousands of people to work both in front of the camera and behind the scenes. We needed this new legislation to continue making this a reality,” Illinois Department of Commerce and Economic Opportunity Director Jack Lavin said.

“Gov. Blagojevich has been clear in his directive that we need to reach out to Hollywood studios and bring more business back to Illinois. We’ve had great success over the past two years, but there is much more potential for growth as studios see the incredible results of films produced in our state. This enhanced tax credit is a critical step in the right direction,” said Brenda Sexton, Managing Director of the Illinois Film Office.