



OFFICE OF THE GOVERNOR

# NEWS

ROD R. BLAGOJEVICH – GOVERNOR

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## **Governor Blagojevich Signs Legislation to Strengthen Illinois' Film Tax Credit**

*Increasing tax credit from 20 percent to 30 percent will encourage additional film business in Illinois*

CHICAGO – Building on his commitment to help the Illinois film industry continue to achieve record success, Governor Rod R. Blagojevich today signed Senate Bill 1981, legislation that renews and strengthens the Illinois Film Tax Credit.

“The Film Tax Credit put Illinois back on the film industry’s map and helped Illinois achieve record revenues of \$155 million for 2007. By strengthening this tax credit, we’re holding on to our competitive position and will be able to continue create thousands of job opportunities for Illinois workers during these tough economic times,” said Governor Blagojevich.

The strengthened Illinois Film Tax Credit will bring revenue and jobs to the state by offering a 30 percent tax credit to filmmakers for money spent for Illinois goods and services including wages paid to Illinois residents. Previously, the tax credit was 20 percent. In addition, the yearly sunset provision was removed, highlighting our long-term commitment to growing Illinois’ film industry. The bill passed convincingly in both chambers. SB 1981 was sponsored by Senator Rickey Hendon (D-Chicago) and Representative Frank Mautino (D-Spring Valley).

In 2000, Illinois began suffering a mass exodus of the film industry as other states began enacting film incentives. By 2003, the Illinois film industry had fallen to an all-time low of \$23 million. In response, Governor Blagojevich enacted the Illinois Film Tax Credit. Since its passage, the film industry has rebounded dramatically. The film industry reached an all-time record of nearly \$155 million in 2007 (the last year on record). This represents the single best year in the state's history - and an 80 percent increase over 2006.

As other states have increased their efforts to attract films to their states with stronger incentives, Illinois has responded with the strengthened Film Tax Credit. The strengthened credit, along

with Illinois' renowned labor force, diverse locations and solid infrastructure, will ensure that we will remain competitive for many years to come.

"We are always seeking innovative ways to promote Illinois as a place to do business. And while we have had record success, we must do what's necessary to maintain Illinois' competitiveness and provide companies with the resources they need to be profitable. Being able to offer incentives like the strengthened film tax credit is critical to that effort. We are pleased that the General Assembly passed this legislation and look forward to another successful year in 2009," Department of Commerce and Economic Opportunity Director Jack Lavin said.

The film industry has a sizable impact on the Illinois economy and brings thousands of jobs to the state each year. In 2007, Illinois film productions made more than 26,500 hires in Illinois - a 110 percent increase over 2006. A number of films and television shows were produced recently in Illinois: "The Dark Knight" (Batman); "Wanted," starring Angelina Jolie and Morgan Freeman; "The Express," starring Dennis Quaid; "Public Enemies" starring Jonny Depp; "Nothing Like the Holidays" starring Chicagoan Freddy Rodriguez; "ER" (TV show), and "The Beast" (TV show).

"With over 40 states providing film incentives, Illinois' strengthened Film Tax Credit will go a long way in helping Illinois to maintain an edge and keep us competitive against other major film production areas. The credit puts thousands of people to work and brings in greater revenues for the state," said Betsy Steinberg, Managing Director of the Illinois Film Office.

The bill is effective immediately.

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