

LFEA

June 2016

Message from the President

I wanted to provide you with highlights of LFEA's recent activity. As you may know, the film industry was not called into the second special session, which began on June 6. While this allowed us to avoid further stripping of our program and giving the money to TOPS or other programs, we have a lot to do going forward to restore confidence in our program over the coming year. I'll touch on that in a bit, but wanted to also provide you with some recent highlights of our activity.

One of the most harmful legislative changes made last year was a requirement to withhold an across the board 6% of wages and benefits from film crew's paychecks. Most recently, we were able to work with the Dept. of Revenue and legislators to change the language of the 6% withholding tax. The governor should sign this revised language by next week. This is a significant win for all of the workers in our industry.

In May, LFEA and IATSE coordinated testimony regarding the film tax credit program before the Senate Revenue and Fiscal Affairs Committee, which is reviewing all of the 400+ exemptions and tax credits on the books. This was just an informational meeting. LFEA worked with small business owners from across the state, from New Orleans, Baton Rouge, St. Francisville, Shreveport and Vacherie, who shared with the committee about the impact that film has had on them. Local studio owners and producers, union representatives and film investors also spoke to this committee, driving home the financial impact on their businesses in the past and present. LFEA presented close to 2,000 testimonies to this committee that were delivered by you, our members and friends of the film industry.

Experience has shown the impact film production has had in our state and the ripple effect it has had on local economies. Even though anti-film legislators often refuse to acknowledge it, the economic impact from film productions is estimated by the state's experts to be between \$1 Billion to \$1.6 Billion per year. Local economies enjoyed an average infusion of \$6-\$9 for every \$1 the state spent to encourage film and television production. LED experts believe that for every direct job created by film production, two indirect jobs are created.

Most importantly, on July 1, a couple of key things will happen. First, any unused tax credits from this fiscal year ending June 30, 2016(which are estimated to be over \$50 million) will roll over into next fiscal year raising the cap capacity for FY 2017 to as much as possibly \$250 million.. Secondly, the state will resume buying back tax credits at 85% of their value. Both of these developments should go a long way to reducing the backlog of credits waiting to be claimed and open the gates again for new productions to come our way.

Over the summer, LFEA plans to lead a delegation with LED officials, local leaders and key legislators to visit Hollywood and meet with producers and studios executives one-on-one. Our goal is to educate them further about the developments that kick in on July 1 and encourage them to bring film productions back to Louisiana. At the same time, we are planning to create a more aggressive PR strategy to raise awareness in Hollywood and at home that we are back on track

and ready for cameras to roll again in Louisiana.

Together, we will continue to fight to shore up the film industry in our state. With your help, we will be successful in building a long term, stable film industry in Louisiana.