

**Illinois Film Production Services Tax Credit Quarterly Report**  
**FY22 Q3 January 1, 2022 to March 31, 2022**

When a production company is ready to claim a credit for a production whose application was approved, it submits an attestation prepared by an independent Illinois licensed CPA that includes exact numbers of people hired, money spent, and vendors used. However, the Film Tax Credit Production Act allows companies up to two years to claim a tax credit, so they can effectively include and report claimant’s actual expenditures. Therefore, the figures reported may be for film, television and commercial projects dating back to 2017.

Beginning in FY2015 Q1, the reporting methodology was changed from using spending estimates provided upon application to actual expenditures reported when the credit is claimed. However, we continue to report estimates for performance metrics. Estimates, while less precise, are timelier for forecasting and projections. Furthermore, projects awarded tax credits during this period may have been previously counted using the prior methodology.

Amount of film production spending in Illinois and number of job hires:

FY22 Q3 ACTUAL	Credits Issued	TOTAL Expenditures	IL Wages	Management Hires	Production Hires	Entry Level Hires	Talent Hires	Total Job Hires (EXCLUDES EXTRAS)
Commercial	14	2,690,142.18	1,609,097.98	92	255	52	20	419
TV	3	468,149.59	214,736.52	9	21	6	2	38
Film	3	1,655,084.12	742,588.73	14	112	25	11	162
<b>TOTAL</b>	<b>20</b>	<b>\$ 4,813,375.89</b>	<b>\$ 2,566,423.23</b>	<b>115</b>	<b>388</b>	<b>83</b>	<b>33</b>	<b>619</b>

\*Actual expenses reported are measured from the date of issuance of the tax credit. Costs may have been incurred/paid in prior periods.

\*\* Job hires represent a count of Illinois residents hired on productions reported on this quarter and do not reflect unique individuals. These are typically short-term assignments, and some residents worked on more than one project.

\*\*\* There were 41“Extras” reported on these projects; however, they are not included in Talent Job Hires for the sake of conservatism; and because they are typically day jobs.

- In July 2018, P.A. 100-603 (SB 1461) was signed into law amending 34 ILCS 16/45 to help the Department comply with the statutory mandate that requires the Department to report the number of minority-owned vendor firms contracting with qualified Film Tax Credit recipients. Specifically, the new law, sponsored by Holmes, Kifowit/Turner, sets reasonable thresholds on vendor reporting. Additionally, it seeks to resolve the conflicts between the statutory reporting provisions that the Department make public proprietary and confidential information regarding vendor costs utilized by productions and prohibition of such information from disclosure within the same Act.
- The statute requires that the Department classify jobs created into categories that are not germane to the film production services industry. HB5185 Floor Amendment #2 of the 102<sup>nd</sup> General Assembly sought to change the reporting categories to above-the-line and below-the-line, or extras from entry level, management, talent, vendor, or production related. This change would have addressed the difference in nomenclature. The bill did not pass. The

Department will continue to pursue a legislative amendment, as we are not able to track vendor jobs. Any given project will use hundreds of vendors, and we do not track how many employees of a particular vendor work on each project.

- Types of vendors hired, depending on production needs, include but are not limited to caterers, janitorial service companies, security companies, and equipment rental companies. Types of vendors for materials used in film productions and production services include lumber yards, hardware stores, fabric stores, clothing companies, grocery stores, gasoline stations, hotels, restaurants, parking garages, office rentals, stage rentals, computer rentals, insurance companies and legal services to name a few.

Whether or not the human infrastructure reflects diversity of the state of Illinois:

The film tax credit statute contains a diversity reporting requirement which means that no production will receive the tax credit without proof of a best faith effort to hire women and minorities as part of the technical crew and office staff.

Diversity Detail - FY22 Q3		
Crew	#	%
White Males	263	47%
White Females	132	23%
African American	59	10%
Hispanic	75	13%
Asian	25	4%
Native American	1	0%
Other	9	2%
<b>Total</b>	<b>564</b>	<b>100%</b>
Non White	28%	
White Females	23%	
<b>Protected Class</b>	<b>52%</b>	

- \*Does not include police and fire personnel hires
- To promote racial diversity in the film industry in the state of Illinois, the Illinois Film Office continues to encourage educational opportunities for minorities to be trained for working in film and television. Illinois is currently the only state with a film production tax credit program with such a requirement. The Illinois Film Office provides support to a wide range of not-for-profit programs such as Free Spirit Media, Independent Film Project, Southside Filmmaking Youth Initiative, Cinecares, -, all of whom provide training programs for minority, women and underserved communities. In addition, DCEO has previously provided grant funding to IATSE Studio Mechanics Union (Local 476) specifically for this purpose. The FILM office has worked with our stakeholders to enhance awareness amongst labor trade unions, legislators, community leaders, and companies across the film industry to educate and inform about ways to succeed with a diverse workforce. With the support and encouragement of the Film office, key stakeholders such as NBC, FOX and HBO have incorporated on set 12- week internship programs in a cooperation with Local #476, Local #600 and managed by the Cinecares Foundation. Overall crew and production office staff racial diversity was at 28% in FY22 Q3 up from 14% when the program was established.