

Illinois Film Production Services Tax Credit Quarterly Report
FY2018 Q3 January 1, 2018 – March 31, 2018

When a production company is ready to claim a credit, it submits a report that includes exact numbers of people hired, money spent and vendors used. However, the Film Tax Credit allows companies up to two years to claim a tax credit, at which point, claimants report actual expenditures. Therefore, the figures reported may be for projects dating back to 2014.

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. Furthermore, projects awarded tax credits during this period may have been previously counted using the prior methodology.

Amount of film production spending brought to Illinois and number of job hires:

FY18 Q3 ACTUAL	Credits Issued	TOTAL Illinois Expenses*	IL Wages*	Production Office Hires**	Crew Hires**	Talent Hires***	Total Job Hires (EXCLUDES EXTRAS)
Commercial	32	6,732,476.30	3,945,691.94	113	777	72	962
TV	9	11,334,915.64	6,859,704.32	57	681	28	766
Film	-	-	-	-	-	-	-
TOTAL	41	\$ 18,067,391.94	\$ 10,805,396.26	170	1,458	100	1,728

*Actual expenditures 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 372 “Extras” reported on these projects; however they are not included in Talent Job Hires for the sake of conservatism.

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.

- 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.
- In the 2017 Legislative Session, the General Assembly, in coordination with the Department, introduced House Amendment #1 to SB 1461 (Holmes/Kifowit/Turner), which seeks 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 legislation 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. At the time of the posting of this report, DCEO's legislation, as amended by House Amendment #1, is currently awaiting a concurrence vote in the Senate after passing the Senate Commerce Committee unanimously. It is anticipated that the vote on the Senate Floor will occur by the end of this regular General Assembly Session.

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.

FY18 Q3 Diversity*		
Crew	#	%
White Males	920	51%
White Females	323	18%
African American	230	13%
Hispanic	214	12%
Asian	73	4%
Native American	4	0%
Other	24	1%
Total	1,788	
Non White	29%	
White Females	18%	
Protected Class	47%	

*Does not include police and fire personnel hires

- In order 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 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 - Chicago, Midwest Independent Film Festival Summer student program, 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, and met 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. Overall crew and production office staff racial diversity was at 29% in FY 2017 up from 14% when the program was established.