

2024 MAINE FILM OFFICE INCENTIVE REPORT

JANUARY 15, 2025





To: Senator Nicole Grohoski, Chair
Representative Kristen Cloutier, Chair
Members of the Joint Standing Committee on Taxation

From: Steve Lyons, Director, Maine Film Office

Date: December 31, 2024

Re: 2024 Annual Report for the Maine Attraction Film Incentive Plan

Overview

The Maine Film Office is a division of the Maine Office of Tourism (MOT) within the Department of Economic and Community Development.

Comprised of one staff position and funded through an annual transfer of Other Special Revenues from the Office of Tourism, the Film Office is the official liaison between productions companies and federal, state, and local agencies, and promotes filming in communities throughout the state.

The Film Office promotes Maine as a film location, provides productions with essential support services and resources, and encourages the hiring of Maine residents and sourcing of goods and services from Maine businesses to deepen the industry's economic impact in Maine.

We look forward to working with you on issues related to film, television, and media production and particularly any potential incentive legislation that may be presented this legislative session.

If you have any questions relating to this report, please contact Steve Lyons at 207-624-9815.

We respectfully submit this 2024 Annual Report as required by MRS Title 5, §13090-L, providing a detailed review of the incentive programs activities and status.

The statute requires the Maine Film Office to report on the following items:

- The report must include a description of any rule-making activity related to the implementation of the credit and reimbursement activities,
- Outreach efforts to visual media production companies,
- The number of applications for the visual media production credit and tax reimbursement,
- The number of credits and reimbursements granted,
- The revenue loss associated with the credit and reimbursement, and
- The amount of visual media production expenses generated in the State as a result of the credit and reimbursement.



Rule-making

In 2024, no rule-making was implemented related to the implementation of the credit and reimbursement activities. Rule-making to address issues and recommendations from the Office of Program Evaluation and Government Accountability (OPEGA) will be addressed in 2025 following the outcome of proposed visual media incentive legislation.

Outreach

Throughout 2024, the Director met with several filmmakers to discuss the visual media incentive program.

David Chase – Creator/Writer/Producer of *The Soprano's*, *Northern Exposure*, *I'll Fly Away*, *Almost Grown*, *The Rockford Files* and other television series. He has a concept for a television series based in Maine and asked to be kept updated on the incentive legislation.

Ryan B. Cook – Producer of *Lost on a Mountain in Maine*. The film was produced by Balboa Productions, a production company owned by Sylvester Stallone. He provided some feedback on making the incentive more competitive.

Peter Couture II – Producer of *The Ghost Trap*. He would like to see a new incentive.

Stefani Deoul - VP, Scripted Production for A+E Studios. A+E was considering a television series based in Maine. Initial scouting was done, but the project was pulled due to an uncompetitive incentive.

Robin Fisichella – Production Designer/Producer. Has worked on *Jurassic World: Fallen Kingdom*, *Superhero Movie*, *Ma*, *Jason Bourne* and others. She would like to work in Maine if productions can be attracted with a better incentive.

Billy Hanson – Writer/Director of the feature *Bone Cold* that was filmed in Maine in 2019-2020 and release in 2023. He is planning another film in Maine for 2025.

James Khanlarian – Director of the feature *The Ghost Trap*, filmed in Maine in 2022 and release in 2024. He enjoyed working in Maine and would like to bring another film here if we improve the incentive.

Stevan Mena – Writer/Producer of *The Ruse*, filmed in Maine in 2023 and released in 2024.

Carrie Regan - Media Consultant & Strategist, Global Content Strategies. Carrie works with many unscripted productions. Interested in new ideas for reality television shows.

Jeanette Volturno - Founding Partner of CatchLight Studios. Currently producing *Heretic* starring Hugh Grant. She has also produced *Benji*, *The Invisible Man*, *Ouija*, a *Halloween* remake and many other films.

In August, the Director attended the Association of Film Commissioners International (AFCI) Conference in Los Angeles. AFCI hosts an annual conference that includes updates of industry trends and networking with film industry professionals. The event is attended by all the major television/movie studios as well as independent filmmakers.

Number of Applications

In 2024, fewer than 10 applications for visual media production credit and tax reimbursement were submitted and reimbursements were granted.

Number of Credits and Reimbursements and Revenue Loss

According to Maine Revenue Service, fewer than 10 claims were paid during 2024 for the Maine Attraction Film Incentive Plan (combined film production wage reimbursement and income tax credit). Those claims totaled \$175,354.

Visual Media Production Expenses Generated

Fewer than 10 productions received a Maine Media Production Certificate through the Maine Attraction Film Incentive Plan. The reported amount of spending in Maine was \$1,605,161.

Data in the Annual Report

This report is based on incentive applications that were filed in calendar year 2024. Information was compiled from applications submitted using the Maine Film Office's online Salesforce Incentive Application.

The expenditures included in the report are based on actual costs submitted by production companies and MRS provides the Film Office with information about the cost of the program for the annual report filed by the Film Office.



Production Tax Credit Program

Production companies that are interested in applying for the Maine Attraction Film Incentive must first register their production online using the new Salesforce application developed for the Maine Film Office. A production company must meet established criteria set forth in Title 5, §13090-L prior to the start of production to qualify for certification by the Maine Film Office. At the completion of production in Maine, certified productions must file a final production report with actual costs to the Maine Film Office. Non-wage expenses are submitted to the Maine Film Office for review, while detailed wage and salary information is submitted directly to Maine Revenue Service for review. The Maine Film Office processes the applications for the Film Tax Incentive. Maine Revenue Services oversees the payment of the reimbursements and tax credits claims.

The Maine Attraction Film Incentive program currently offers a 10-12% wage reimbursement and a 5% production spend tax credit. The wage reimbursement is 12% for Maine employees and 10% for out-of-state employees. The tax credit is non-refundable, nontransferable and doesn't carry forward. There is no annual program cap or per-production cap, but the wage reimbursement is capped at \$50k per employee, which serves as a cap for the program.

During the year, the Maine Film Office researched film incentive programs throughout the U.S. and Canada and put forth a recommendation to amend current statute and make the incentive program more competitive. The proposed base recommendation includes a wage rebate of 25% for residents and 20% for non-residents, and a reimbursement for non-wage production expenses of 25%. This proposed incentive will better align Maine's program with the 20-30% incentive programs available in most other states. A full report and recommendation was submitted to the Taxation Committee on December 30, 2024 as per **S.P. 444 – L.D. 1075 – Resolve, to Review and Evaluate Film Production Incentives** which passed in the 131st Legislature.

Production Spending Beyond the Incentives

Production spending in Maine is not limited to companies that apply for the incentives. In addition to the productions that were accepted in the program in 2024, nearly two dozen companies registered their productions with the Film Office with estimated expenditures of about \$1 million.

