

From: Kate Wink <KateWink@scsenate.gov>
To: Danny VaratDannyVarat@scstatehouse.gov
Date: 11/29/2018 8:40:39 AM
Subject: RE: Film Incentives

Hey Danny,

I did get an e-mail from Bert Hesse a while back. I met him over the summer at a meeting set up by Senator Talley. I have not had discussions with him since that meeting. I am not sure about what sub a bill would go through. There are both Property Tax and Sales and Income Tax subcommittees on Finance. Also, bills sometimes go to the standing budget committee- in this case, it would be Senator Setzler and the Economic Development and Natural Resources sub. There has been a lot of interest this summer/fall pertaining to film, and I have had meetings with different members and interest groups.

Thanks,
Kate

From: Danny Varat
Sent: Wednesday, November 28, 2018 4:30 PM
To: Kate Wink
Subject: Re: Film Incentives

Good afternoon, I hope you had a great Thanksgiving. This subject came up again today, and I didn't know if anyone from Greenville ever contacted you? Also, what sub would a bill go through? Thanks,

DV

From: Kate Wink
Sent: Wednesday, October 17, 2018 9:48 AM
To: Danny Varat
Subject: RE: Film Incentives

I think what you are talking about are the Tax Credits for the creation of SC Motion Pictures or Production Facilities. The Supplier and Employee Wage Rebates are typically around \$17 M a year - combined. The Film Commission is authorized allocate up to \$10 M in wage rebates a year, and the Supplier Rebate is funded by 26% of the previous Fiscal Year's Admissions Tax- typically around \$7M.

The cap you are referencing deals with the Tax Credit a person can get for investing in a company that develops a motion picture project, or one that deals with the pre or post-production of the project (movie studio). Currently, a person who invests cash in a company that develops or produces a qualified motion picture project may claim an income tax credit of 20% of the cash invested. The credit is limited to \$100,000.

A person who invests in a company that constructs, converts and/or equips a motion picture production or post-production facility may claim a credit of 20% of the amount invested. The total amount of credit that may be claimed by all taxpayers with respect to the construction, or conversion and/or equipping of a single motion picture production or post-production facility may not exceed \$5,000,000.

I have been getting a lot of inquiries about film this interim, and expect to hear more as we head into session. There is a gentleman from Greenville (Michael Lentine, Earth Artists Studios) that has contacted me quite a bit. I don't know if he is the same person contacting you, but he is trying to increase incentives to build studios. The current incentives are geared towards getting films/series made in SC. He wants more incentives for capital investment to build his studio. I have not heard anything from Senator Campbell, but he may be involved. Of note, the pitch I have heard is to increase credits for capital investment, at the cost of the other incentives to get movies to film in SC. There are two different groups advocating for two different things.

I hope this hasn't been too confusing. I staffed a film study committee when I first started at the Senate back in 2006, and these same issues (and players) came up then. Let me know if you want do discuss in further detail!

Kate

From: Danny Varat
Sent: Wednesday, October 17, 2018 9:22 AM
To: Kate Wink <KateWink@scsenate.gov>
Subject: Re: Film Incentives

Kate, is there a cap? I seem to recall that, but it's been a while. Also, hasn't Senator Campbell been trying to modify this? I'm asking, because someone has approached Greenville about building studios, and they want new or different incentives tied to capital investment, etc. Is this a conversation at all taking place?

From: Kate Wink
Sent: Tuesday, October 16, 2018 4:11 PM
To: Danny Varat
Cc: Mike Shealy
Subject: Film Incentives

Good afternoon, Danny.
Mike Shealy asked I provide an update regarding existing film incentives.
South Carolina currently provides the following Film Production Incentives:
Supplier Rebates
30% on in-state Supplies
25% on out-of-state Supplies

Employee Wage Rebates
25% on in-state Wages
20% on out-of-state Wages

*To qualify for the above rebates, a production must spend at least \$1,000,000 in SC

In addition, any production that spends more than \$250,000 in SC is eligible for a sales tax exemption and pays no Location Fees to use State Property for filming.

Please let me know if you would like further information,
Kate

Kate Wink, MPA, CPM
Senior Budget Analyst
Senate Finance Committee
111 Gresette Building
Columbia, SC 29202
(803) 212-6684