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New Study Attributes 33,520 Jobs, Over \$1.2 Billion in Personal Income, and Close to \$4 Billion in State Economic Output to Louisiana's Motion Picture Investor Tax Credit in 2013

Study Details how Incentive Program Built State-Wide Industry that Attracts Tourism; Review of Recent Louisiana Department of Economic Development Report Also Released

WASHINGTON, DC – Today, a [new statewide economic and fiscal impact analysis](#) by HR&A Advisors, Inc. (“HR&A”) reveals that the Louisiana State Motion Picture Investor Tax Credit supported **up to 33,520 jobs**, generating **up to \$1.2 billion in personal income**, and **up to \$4 billion in economic output in 2013**.

These figures include both production spending and visitor spending attributable to motion picture- and- television- induced tourism.

Since the inception of the credit in Louisiana in 2002, Louisiana's motion picture and television industry has flourished, attracting major productions to the state and creating long-lasting ancillary benefits. From 2002 to 2013, total Louisiana motion picture and television production employment increased by **over 5,000 jobs**, with estimated full credit/calendar year 2013 production spending topping **\$1 billion**. Significant infrastructure investment has supported the growth of the industry, with three large purpose-built studios—Second Line Stages (New Orleans), Celtic Media Centre (Baton Rouge), and Millennium Studios (Shreveport) — established across the state.

In 2013, production spending associated with the Credit significantly benefited the Louisiana economy, supporting 10,800 jobs, generating \$471.2 million in personal income and \$1.6 billion in economic output. This high-level of production introduces Louisiana to audiences across the nation and around the world, increasing tourism that benefits local businesses and workers. In fact, based on a survey of 1,381 recent visitors to Louisiana, the HR&A study finds that **14.5% of domestic, out-of-state, leisure visitors** can be considered motion picture- and/or television-induced tourists. In 2013, visitor spending attributable to motion picture- and television- induced tourism in the state supported up to **22,720 jobs** in Louisiana, generating up to **\$766.6 million** in

personal income and up to **\$2.4 billion** in economic output. These figures come on the heels of [an announcement](#) from Lieutenant Governor Jay Dardenne that 2014 was another record year for Louisiana tourism.

Lt. Governor Jay Dardenne, who is a candidate for governor, authored the legislation that created the Motion Picture Tax Credits in 2002. "The credits have created jobs for creative young people and sparked the growth of many small businesses who service moviemakers in Louisiana," he said. "It is no coincidence that Louisiana has suddenly gained widespread visibility, from a host of movies and reality shows set in Louisiana. The industry has made significant contributions to the success of our tourism efforts and the three successive record-breaking years we have enjoyed," Dardenne said.

Will French, President of the Louisiana Film and Entertainment Association, stated, "Our product is beamed directly into hundreds of millions of living rooms around the world. When our culture, people, locations, and images are featured in film and television, we naturally affect vacation decisions. For the first time, we have been able to quantify the impact and incredible benefits for the Louisiana economy."

"Locally filmed movies and TV shows bring New Orleans' best qualities to the top of viewers' minds, attracting visitors from around the country that positively affect our entire state. The Motion Picture Investor Tax Credit keeps our hotels booked, our small businesses busy, and continues to inspire new activities and attractions. I'm glad this study provides a clear picture of the direct link between productions and tourism," said **Stephen Perry, President and CEO of the New Orleans Convention & Visitors Bureau**.

"These latest figures are a demonstration that Louisiana's motion picture incentive program is not only working to encourage in-state productions, but it is also developing a booming and diverse state-wide economic sector," said **MPAA's Vans Stevenson, Senior Vice President, State Government Affairs**.

Key figures from HR&A's analysis of the Louisiana State Motion Picture Investor Tax Credit:

- Overall, in 2013, including both production spending and visitor spending attributable to motion picture- and television- induced tourism, the Credit supported up to 33,520 jobs in Louisiana across all industries, generating up to \$1.2 billion in personal income and up to \$4 billion in economic output in Louisiana.
- In 2013, production spending associated with the Credit supported 10,800 jobs in Louisiana across all industries, generating \$471.2 million in personal income and \$1.6 billion in economic output in Louisiana.
- In 2013, visitor spending attributable to motion picture- and television- induced tourism in the state supported up to 22,720 jobs in Louisiana across all industries, generating up

to \$766.6 million in personal income and up to \$2.4 billion in economic output in Louisiana.

A link to the newly released analysis of the Louisiana State Motion Picture Investor Tax Credit is [available here](#).

To accompany the new report, HR&A also prepared a review of the most recent economic impact analysis of the Credit completed by Loren C. Scott & Associates. While both reports find that the Credit has supported industry growth and generated significant in-state economic impacts, the Loren Scott report underestimates the Credit's full economic and fiscal contributions to Louisiana:

- The Loren Scott report underestimates the economic impacts of the Credit by excluding the impacts of motion picture and television- induced tourism.
- The Loren Scott report applies an unwarranted reduction to resident wage payments in order to produce “adjusted economic impacts.”
- The Loren Scott report underestimates tax revenues generated by the Credit by failing to account for taxes on non-resident earnings. Non-resident earnings are taxed in Louisiana, and a full accounting of fiscal impacts should include the revenue generated by these taxes.
- The Loren Scott report evaluates the economic and fiscal impacts of production spending based on the year in which the spending was finally certified, and is therefore examining economic activity that occurred potentially years earlier. The HR&A study evaluates the economic and fiscal impacts of production spending based on the year in which the spending actually occurred and generated an impact to the State's economy.
- Finally, though, it's extremely important to note that despite some of these issues, the Loren Scott report does not call for any significant change to the Credit.

A link to HR&A's review of the Loren Scott report is [available here](#).

HR&A Advisors, Inc. prepared the report and review of the Loren Scott report for the Louisiana Film and Entertainment Association (LFEA) and the Motion Picture Association of America, Inc. (MPAA).

About the Louisiana Film and Entertainment Association

The Louisiana Film & Entertainment Association is a professional trade association created to grow the entertainment industry in the State of Louisiana. LFEA plays a substantive role in the long term prosperity of the Louisiana's entertainment industry; an industry defined by various sectors including film, music, digital media and live performance. The association works to bring together the individual working in the entertainment industry with businesses invested in

Louisiana. LFEA's goal is to speak with one voice regarding the positive economic impact the entertainment industry provides to Louisiana.

About the MPAA

The Motion Picture Association of America Inc. (MPAA) serves as the voice and advocate of the American motion picture, home video and television industries from its offices in Los Angeles and Washington, D.C. Its members include: Walt Disney Studios Motion Pictures; Paramount Pictures Corporation; Sony Pictures Entertainment Inc.; Twentieth Century Fox Film Corporation; Universal City Studios LLC; and Warner Bros. Entertainment Inc.

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