

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE

The meeting was called to order by Vice-Chairman Les Donovan at 10:30 A.M. on March 9, 2005 in Room 519-S of the Capitol.

All members were present except:

Barbara Allen- excused
Pat Apple - excused
Derek Schmidt - excused

Committee staff present:

Gordon Self, Revisor of Statutes
Chris Courtwright, Legislative Research
Nancy Kirkwood, Committee Secretary

Conferees appearing before the committee:

Barb Hinton, Legislative Post Audit
Representative Huntington
Representative Gordon
Scott Allegucci, Director of Travel & Tourism, Kansas Department of Commerce
Barbara Nash, Chairman, Kansas Film Commission
Jim Graham, VP, Sales & Marketing for QuVIS Inc.
Larry Garrett, Allegro Media

Written testimony

Hoite C. Caston, Writer, Producer, Director (DGA), Videographer, Editor, Broadcast Consultant
Radio, Television & Film
Mike Robe, President, Mike Robe Productions, Inc., and Jayhawk Productions, Inc.
Clark Balderson and Steve Balderson, Dikenga films, Wamego, KS
Ronald Parker, Producer and Writer of Movies and Miniseries
Doug Curtis, Line Producer in the Movie Industry

Others attending:

See attached list.

Hearing on:

HB 2443- Kansas film production investment tax credit act
and
HB 2444 - Kansas film production tax credit act

Chairing the Committee meeting today, Senator Donovan, Vice-Chair, opened the hearing on **HB 2443** and **HB 2444**. Chairman Donovan stated the Committee would hear from Representative Gordon and Representative Huntington first as both had commitments in the House.

Representative Gordon testified in support of **HB 2443** and **HB 2444**. Rep. Gordon stated she had chaired a sub-committee named "Lights Camera Action". The sub-committee involved Kansas Inc., in conducting a feasibility study, heard further presentations from film makers and producers. The subcommittee composed these two bills (Attachment 1).

Testifying as a proponent on **HB 2443** and **HB 2444**, Representative Huntington commented the two bills are a culmination of collaboration between the film commission, Kansas Connection, and the "Lights Camera Action" subcommittee of the House Economic Development Committee. Representative Huntington presented a balloon amendment for the Committee's consideration on **HB 2443**. (Attachment 2)

Chairman Donovan paused the hearing on **HB 2443** and **HB 2444** stated the hearing would continue after the

CONTINUATION SHEET

MINUTES OF THE Senate Assessment and Taxation Committee at 10:30 A.M. on March 9, 2005 in Room 519-S of the Capitol.

hearing on HB 2031.

HB 2031 - Legislative division of post audit, certain statutory auditing and reporting duties for income tax abatements

Chairman Donovan opened the hearing on HB 2031, and welcomed Barb Hinton, Legislative Post Auditor, to the Committee. Ms. Hinton appeared on behalf of the Legislative Division of Post Audit and the Legislative Post Audit Committee as a proponent to the bill. HB 2031 would remove the requirement that Legislative Post Audit "take any audit steps" necessary to ensure that the tax abatements the Secretary of Revenue reports to the Post Audit each year are made in accordance with the law and to issue a report to the Legislature at least once every three years on Post Audit's findings (Attachment 3).

There being no others to testify on HB 2031, Chairman Donovan closed the hearing.

Chairman Donovan brought the Committee's attention back to the hearing on HB 2443 and HB 2444.

Jim Graham, Vice President, Sales and Marketing for QuVIS Inc., appeared before the Committee presenting testimony in support of HB 2443 and HB 2444 (Attachment 4).

Testimony given in support of HB 2443 and HB 2444 was given by Barbara Nash. Ms. Nash has worked in the television industry for 25 years and is currently the chairman of the Kansas Film Commission. Ms Nash included a current copy of the incentives offered by other states and recent articles that confirm the rewards those incentives have created for the states that adopted them (Attachment 5).

Larry Garrett, Allegro Media, appeared in support of HB 2443 and HB 2444. Mr Garrett stated he believe there are two basic principles to keep in mind.

- 1) The need to be more than competitive with other states.
- 2) The incentives have to provide some level of up front financing (Attachment 6).

Chairman Donovan recognized Scott Allegrucci, Director of Travel & Tourism, Kansas Department of Commerce. Mr. Allegrucci appeared as neutral on HB 2443 and HB 2444 (Attachment 7).

Secretary Wagon of the Kansas Department of Revenue stated that although she didn't have the expertise to speak about the film industry, she is knowledgeable in the area of Kansas tax codes and amendments. As the bills are currently written, the Department would oppose them. HB 2443 and HB 2444 have provisions in them that don't match other items in the tax code. No written testimony was given by Secretary Wagon.

There being no others to testify on HB 2443 and HB 2444, the hearings were closed.

The following submitted written testimony in support on HB 2443 and HB 2444.

Hoite Caston, Writer, Producer, Director (DGA), Videographer, Editor, Broadcast Consultant Radio, Television & Film (Attachment 8).

Mike Robe, President, Mike Robe Productions, Inc., Jayhawk Productions, Inc. (Attachment 9).

Clark Balderson and Steve Balderson, Dikenga Films (Attachment 10).

Ronald Parker, Producer and Writer of Movies and Miniseries (Attachment 11).

Doug Curtis, Line Producer in the Movie Industry (Attachment 12).

A handout was given to the Committee from Alan Pollom, The Nature Conservancy (TNC). Mr. Pollom offered TNC services in developing alternative approaches to developing renewable energy facilities that also address the need to preserve lands of high ecological value across the state (Attachment 13).

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The minutes of January 25 were approved on a motion by Senator Jordan. Senator Goodwin seconded the motion. The motion carried.

The meeting adjourned at 12:05 p.m.

SENATE
ASSESSMENT & TAXATION COMMITTEE

GUEST LIST

DATE: March 9, 2005

NAME	REPRESENTING
James Bartle	Dept. of Revenue
Kathleen Smith	KDOR
Matt Jordan	Commerce
Scott Allegrucci	"
DICK CARTER	TIAC
Susan Paxson	Capitol Consulting
George Petersen	Kans Taxpayers Network
Bill Brody	SGC
MIKE LARKIN	FREE BIRD BUSINESS SOLUTIONS
Claudia Larkin	Free Bird Business Solutions
Denise Fields	Self
Larry Garnett	Allegro Media
Jim Graham	Quilis, Inc
Beth Wilting	KS Film Commission
BARBARA NASH	" "
Carol McDowell	" "
Ron Hein	Motion Picture Assoc of America

LANA GORDON
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TOPEKA

HOUSE OF
 REPRESENTATIVES

CHAIR: ECONOMIC DEVELOPMENT
 MEMBER: EDUCATION BUDGET
 TAXATION
 JT. COMMITTEE: ARTS & CULTURAL RESOURCES
 ECONOMIC DEVELOPMENT

Madam Chair and Members of Senate Taxation Committee:

I come before you today, to testify in favor of HB2444 and HB 2443.

I will give you some background in how these bills evolved.

Last year the House Economic Development Committee heard from interested parties concerning growing the independent film industry in Kansas. Two proposals were presented. One project was a group of investors who wanted to build a major entertainment area including sound stage, theatres and all that the industry would require. The other group, called Kansas Connection, consists of young filmmakers from Kansas originally, living in California, who would like to come home and be able to do their work and live here. They both had different plans for legislation.

Our committee became very excited about the prospects. I landed the assignment to chair a sub-committee named "Lights Camera Action" to further discuss the possibilities. We involved Kansas Inc. in conducting a feasibility study, which was completed earlier this year. This Legislative session, members of my committee expressed interested in pursuing more about the film industry and what we might be able to do as a State to create a climate in which filmmaking can grow. After hearing further presentations from filmmakers and producers in January, as well as the results of the Kansas Inc. study, we composed 3 bills. Much of the content in the bills we are presenting today was patterned after what other States are offering. Both bills passed out of the House 98 and 99 votes in favor.

After working with the Department of Revenue, we will offer an amendment to the legislation to better enable and encourage filmmakers to work in Kansas and give us a competitive role in the film industry. Other countries and states have been successful with the industry. The time is ripe for Kansas to create a bigger playing field because the dollar is currently not strong enough for instance, in Canada, to offer the price breaks as in recent times, so less filmmakers are attracted there. We certainly would reap many benefits both economically and culturally by creating opportunity for more of the film industry to grow in Kansas.

I am including copies of a letter I sent to Sec. Goossen, Fricke, and Wagnon in response to a \$1.2M fiscal note prepared by their departments for HB 2444. As you can see, the economic impact of different size film projects, based upon information from the Association of Film Commissioners International, can have a large daily impact on a community in which the work is done. Their fiscal note was based on 5 medium sized films using the 15% tax credit for FY2006- it did not account for projected revenues to the state if we would have 5 medium sized films produced in that FY we would be celebrating with increased income of several million dollars.

I will leave more of the details to the other conferees. I thank you for your time and consideration in ways to create more jobs in Kansas.

Assessment & Taxation
 Date 03-09-05
 Attachment # 1

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HOUSE OF
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CHAIR: ECONOMIC DEVELOPMENT
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 ECONOMIC DEVELOPMENT

February 25, 2005

Duane Goossen, Director of Budget

Howard Fricke, Secretary

Joan Wagnon, Secretary

Re: House Bill No. 2444

Dear Secretary Goossen, Secretary Wagnon and Secretary Fricke:

I have received a copy of the Division of Budget's fiscal note on HB 2444 and I strongly feel that the full picture of the bill is not reflected in your statements. In regard to the revenue calculations, the only mention is the deletion of State General Fund revenues and the estimate that five films would be produced in Kansas next year. The Association of Film Commissioners International has prepared a table that shows the economic impact to any location that has film production. For example:

Type of Production	Crew Size	Economic Impact Per Shooting Day*
Feature Films		
High-end budget	Full crew, union scale	\$100,000/day
Average Budget	Full crew, mixed crew	\$ 85,000/day
Low-end budget	Minimal crew, non-union	\$ 35,000/day
TV Movie/Series (assuming an average 14-day shoot)		
Network/Cable		\$85,000/day
Commercials, Music Video		
Commercial event		\$100,000/day
High-end budget	Full crew, union scale	\$75,000/day
Average budget	Full crew, mixed or non-union	\$50,000/day
Low-end budget	Minimal crew, non-union	\$25,000/day

An average budget feature film with a shooting schedule of 30 days could mean increased business for Kansas of \$2.55 million in restaurants, lodging, and wages. All of these items would have taxes paid on them and no mention of the increased tax collection is provided. According to your estimates, you also fail to mention this is based on \$8.0 million of new business, which would qualify for the tax credit in the first year of the program. It is very unlikely that Kansas would have five films in production during FY 2006; therefore, unless you have hard data that is not provided in the fiscal note, I believe your estimate is considerably overstated.

The Department of Commerce portion of the fiscal note indicates that you would require an additional FTE position at a cost of \$52,408 and ongoing other operational expenditures of \$6,000 a year. I would like to know the work required of this individual, because even if there were five films in production, the Department could not justify this level of full-time employment for marketing and promotion. I believe this activity could be easily added to the marketing division you already have in place within the Department. Again, the fiscal note is overstated. Please provide me additional information with a complete picture of the true revenues for the State of Kansas and a complete written job description for this position along with the number, budget, and duties of your current employees providing marketing and promotion.

Sincerely,

A handwritten signature in cursive script that reads "Lana Gordon".

Lana Gordon, Chair

Cc: Representative Terrie Huntington, Vice-Chair

Representative Valdina Winn, Ranking Member

State-by-State Tax Incentives

Motion Picture Association of America, Inc.

Compiled by Angela Miele, Vice President, State Tax Policy

Alabama State and local sales and use tax exemption for the purchase or lease of equipment, props, supplies, materials and services used in production. Additionally, no state and local lodgings tax for rooms used by production staff.

Alaska No state sales tax. No state individual income tax.

Arizona A 50% sales (transaction privilege) and use tax rebate on the purchase or lease of tangible personal property if producers spend over \$1 million in Arizona filming movies for theaters, TV, video, industrial or educational films, commercials or advertising. A second threshold of expenditures of \$250,000 applies to television commercials or advertising in commercials aired in two minutes or less. No withholding tax from wages of nonresidents engaged in any phase of motion picture production.

No state tax on lodging after 30 days.

Arkansas Full gross receipts and use tax refund on the purchase of property and services including lodging in connection with production costs. To qualify, a production company must spend at least \$500,000 within six months or \$1 million within 12 months in connection with the production.

California No sales or use tax on production or post production services on a motion picture or TV film. No sales and use tax on services generally. Such industry specific services include writing, acting, directing, casting and storyboarding. A partial sales tax exemption (5% except for 2001, when it was 4.75%) on the purchase or lease of post production equipment by qualified persons.

No sales and use tax on 45% of the charges for sets, including labor to design, construct and strike and no sales tax on the full charge for the rental of personal property.

No state hotel tax on occupancy, however, cities or counties that impose a local tax have a tax exemption for occupancies in excess of 30 days.

Colorado No sales and use tax on film company services if, in fact, the company is providing a service and not tangible personal property. No hotel occupancy tax for hotel stays in excess of 30 days.

Connecticut Sales and use tax exemption for the purchase, lease, use storage or other consumption of motion picture, video production or sound recording equipment for use in the state for production activities that become an ingredient of any motion picture, audio tape or recording produced for commercial entertainment. No hotel occupancy tax for hotel stays in excess of 30 days.

Delaware No state sales tax.

Florida Sales and use tax exemption for the purchase or lease of motion picture, video or other equipment (depreciable equipment with a useful life of at least three years) if used exclusively as an integral part of production activities in the preparation of motion pictures, tapes, TV or productions produced for commercial use or sale. If equipment and personnel used belong to the producer of a qualified motion picture, no tax on fabrication labor. Repair of motion picture equipment is exempt from tax if the equipment is used exclusively by the producer as an integral part of production activities. No state individual income tax.

Georgia Sales and use tax exemption for the purchase or lease of a wide range of production and post production equipment and services for use in qualified production activities in the state.

Hawaii A refundable income tax credit up to 4%, which is deductible from net income tax liability, of the costs incurred in the state in the production of motion picture and television films, and up to 7.25% rebate for the for transient accommodation tax (hotel room tax). Must spend at least \$2 million in Hawaii for motion pictures or at least \$750,000 to produce a television episode, pilot or movie of the week.

Idaho No hotel occupancy tax on hotel stays of 30 days or longer.

Illinois Sales and use tax exemption for products of photoprocessing produced for use in motion pictures for public commercial exhibition. (Effective 1/1/2004, a 25% income tax credit for Illinois labor expenditures (within a 12-month period), capped at the first \$25,000 in wages for each employee. The credit may not be carried forward or carried back and excludes the salary or wages paid to the two highest paid actors.) The 14.9% hotel tax is reimbursed for stays in excess of 30 days.

Indiana No hotel tax on stays of 30 days or longer.

Kansas No hotel tax on stays of 28 days or longer.

Kentucky Sales and use tax refund for purchases made by a motion picture production company in connection with filming in Kentucky if the company films or produces one or more motion pictures in the state during any 12-month period.

Louisiana Sales and use tax exemption for a broad range of production expenditures; must spend a minimum of \$250,000 within a 12-month period (Effective 7/1/02-6/30/06). Provides an employment tax credit (10% if in-state payroll expenditures are between \$300,000 and \$1 million and 20% if in-state payroll exceeds \$1 million) against the aggregate payroll for Louisiana residents, must spend at least \$300,000 in a taxable year (expires 7/1/06). Transferable investor tax credit 10% of the investment made if it is between \$300,000 and \$8 million, 15% for investments in excess of \$8 million. After 30 consecutive days, the 14.9% hotel tax is reimbursed.

Maine Sales and use tax exemption for tangible personal property and services used primarily in production. Revenue Department Ruling in 2004 proclaimed film production a manufacturing process. Hotel occupancy taxes are rebated after 28 consecutive days.

Maryland State sales and use tax exemption for the purchase or lease of production or post production equipment, services, supplies, props and sets used in the production of motion picture, television, video, commercials and corporate films. No state sales tax for hotel stays in excess of 30 days.

Minnesota No sales tax on hotel stays of 30 days or more.

Mississippi Effective July 1, 2004. For all feature films, television projects, documentaries, or commercials: a 10% tax credit for payroll of in-state residents; a 10% rebate of all in-state production-related expenditures, excluding payroll; a reduced sales tax (7% to 1%) for motion picture equipment (camera, lighting, audio, projection, editing, etc.); a sales tax exemption for the purchase of film, videotape, set building materials, set dressing, props, wardrobe, fabric, makeup, most expendable items.

Missouri Provides a transferable/carry forward (5 yrs) income tax credit up to 50% of expenditures in the state to a maximum of \$500,000 in tax credits per project. Productions must spend a minimum of \$300,000 in the state. \$1 million/year available for total credits. No sales tax on hotel stays after 31 days.

Nebraska No hotel occupancy tax for stays in excess of 30 days.

Nevada No corporate or individual income tax. Low hotel room tax.

New Hampshire No state sales tax. Individual income tax on interest and dividends only.

New Jersey Sales tax exemption for all film and video related machinery and equipment as well as services of installing, repairing and maintaining the equipment, used directly in production and post production of motion pictures, television or commercials. Loan Guarantee Program up to a maximum of \$1,500,000 (or an amount no greater than 30% of any loan for the film project that is derived from other sources, whichever is less), to production companies if 70% of the shooting days are in the state and at least 50% of the below-the-line expenses are in state.

New Mexico State sales tax exemption on all production costs including set construction, wardrobe, facility and equipment rental, all production and postproduction services. State sales tax exemption on all production costs including set construction, wardrobe, facility and equipment rental, all production and post production services. A 15% refundable income tax credit on in-state film production expenditures. Producers must choose either the sales tax exemption or the 15% tax credit. Also, guaranteed investments may be considered for up to 100% of the estimated production costs, capped at \$7.5 million per project. Loan structures would have to be "fully and unconditionally guaranteed" by an entity with an investment grade bond rating; and equity structures require presales/distribution. After 30 days, the 4% lodgers tax is waived for hotel guests.

New York Comprehensive State, New York City and local sales and use tax exemption for machinery, equipment and services used in production and post-production activities in the production of feature length films, television programs, music videos and commercials. Film and television and commercial productions receive tax exemptions whether they are produced and delivered electronically or in tangible form. Effective 8/20/04, a 10% corporate/partnership/individual income tax credit for film and television productions (no commercials or music videos) for below-the-line in-state expenses (and actors with non-speaking roles) if 75% of the aggregate sound stage work (excluding post production) is performed in a NY production facility at least 7,000 square feet. The credit is 50% refundable in the first year and fully refundable after two years. If less than \$3 million (excluding postproduction) is attributed to the production facility related costs, then 75% of the aggregate shooting days outside of the facility must be in NY in order for NY location costs to qualify for the credit. Credit is capped at \$25 million/calendar year, the cap is a rolling cap; if the cap is exhausted in one year the projects will be eligible in the following year on a first-come first-served basis.

North Carolina Reduced sales and use tax (1%) rate, on the purchase and rentals to motion picture production firms of cameras, films, set construction materials, as well as chemicals and equipment used to develop and edit film that is used to produce release prints. Full exemption for the purchase of film that becomes a component part of release prints sold or leased. The chemicals used to develop release prints and audiovisual master tapes used in production are also exempt from sales tax. Film production cost rebate program if you spend at least \$1 million, however funding has been suspended.

Ohio No state sales tax on hotel stays in excess of 30 days.

Oklahoma Sales tax exemption on sales of tangible, personal property or services to a motion picture or television production company to be used or consumed in connection with a feature or television production. A rebate program provides up to 15% of eligible costs for film production in the state if an income tax return is filed there.

The total payments will not exceed \$2 million per fiscal year. State sales tax rebate on hotel stays after 30 days.

Oregon No state sales tax. Lodging taxes waived for rooms held longer than 30 days. Other local incentives including parking rebate up to \$1,000 of parking fees incurred within Multnomah County (Portland area) for every 100-hotel room nights purchased.

Pennsylvania A 6% sales and use tax exemption for the purchase or rental of any tangible personal property and services in Pennsylvania used directly in the production or post production of a feature length commercial motion picture distributed to a national audience. Newly enacted assignable corporate, partnership or income tax credit equal to 20% of production costs including wages if in-state spending is 60% of aggregate production expenses for features and television productions. Three-year carry forward provision, total annual state credit disbursement capped at \$10 million/fiscal year. Applies to expenses incurred after 6/30/04 and before 12/31/12 and taxable years commencing after December 31, 2003.

Puerto Rico Up to a 40% investment tax credit is available for motion picture and television expenditures paid to Puerto Rico Businesses or below the line talent if at least 50% principal photography is in Puerto Rico. The credit is available for projects first approved by the Film Commission once applicants pay ¼ of 1% of the film's budget for a license. Local investors will partner with non-Puerto Rican based companies to help them access the investment tax credit.

South Carolina

Effective 7/1/04, if you spend \$250,000 in-state: available sales and use tax exemption for the purchase of equipment and supplies and an exemption for the State accommodations tax (7%), if you spend \$1 million in-state you receive a 5% rebate for total aggregate payroll for persons (crew, actors, extras) subject to SC income tax withholding (excludes individual salaries of \$1 million or more) and a 7% rebate for purchases/rentals of certain in-state goods and services.

Tennessee Sales and use tax refund for out-of-state motion picture companies for goods and services purchased or rented in Tennessee if the company spends at least \$500,000 within a 12-month period.

Texas Comprehensive sales and use tax exemption for purchased or rented equipment or services used in the production of a motion picture or a video recording for ultimate sale, license or broadcast (including cable broadcast).
No sales tax on hotel rooms for stays in excess of 30 days.

Utah Beginning July 1, 2004, state sales and use tax exemption for the purchase, lease or rental of machinery and equipment used in the production or post production of motion picture, television, music video or commercial productions. Transient room tax rebate on hotel stays of 30 days or more.

Vermont State sales and use tax exemption for the purchase or lease of goods and services used in the production of films, television programs or commercials. Credit for nonresident income tax for commercial film production if Vermont income tax exceeds income tax rate in the state of residence. No hotel or meal tax after 30 days.

Virginia Sales and use tax exemption for production services or fabrication in connection with the production of any portion of exempt audio/visual work, feature or made-for-TV films, programs, documentaries, commercials, etc. The purchase of tangible personal property including scripts, artwork, supplies, equipment and accessories are also exempt.

Washington Sales and use tax exemption for the purchase or rental of production equipment and services used in motion picture or video production or post production. No sales and use tax on vehicles used in production.

No tax on hotel stays in excess of 30 days.

No state individual income tax.

Wyoming A list of Wyoming businesses offer production companies filming in Wyoming a 10% discount on production-related services including hotels/motels, restaurants, caterers, etc. No tax on hotel stays in excess of 30 days.

No state corporate or individual income tax.

For individual state film office websites, visit: <http://www.afci.org>

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TOPEKA

HOUSE OF
REPRESENTATIVES

COMMITTEE ASSIGNMENTS

MEMBER: CORRECTIONS AND JUVENILE
JUSTICE
ECONOMIC DEVELOPMENT
HIGHER EDUCATION
TAXATION

Testimony to the Senate Assessment and Taxation Committee
March 9, 2005

HB 2443 & HB 2444

Chairman Donovan and members of the Senate Assessment and Taxation Committee:

I appreciate the opportunity to testify before you on two bills brought to you by the Kansas Film Commission. I was appointed to the Kansas Film Commission by Speaker Doug Mays in February 2003. The past two years I've had the opportunity to hear from directors, writers, and producers and production managers regarding some very successful projects, which I'm sure you'll hear more about today. You've only to browse through the Kansas Film Commission Production Guide to see the hundreds of candidates who will benefit from the passage of the bills before you—men and women who presently reside and Kansas, and men and women who would jump at the opportunity to return to Kansas, if there were a pipeline of projects on which they could work full time.

The bills before you, while some may think they have been on a fast track, have been in the works for many years and are the culmination of collaboration between the film commission, Kansas Connection, and the Lights Camera Action subcommittee of the House Economic Development standing committee, of which I was also a member.

The Department of Revenue did not have an opportunity to closely review the bill before passage from the House. We have been working closely with them to bring you the balloon before you.

HB 2443 was modeled after the Angel Investor Act, which became effective Jan. 1, 2005. However, because the Kansas Film Commission is under the umbrella of the Department of Commerce, they should be the administrators of the Kansas film production investor tax credit act.

Looking at HB 2443, the following were amended:

- Section 1 (a): Reference to KTEC was eliminated and replaced by the Department of Commerce. Subsection (c) was added.
- Section 2 (c) was deleted.
- Section 2 (f) was incorporated into Section 2 (e)

- Section 3 (a) lines 32 to 39 were deleted. However, the Senate Committee may see benefit in not limiting investors to only individuals.
- Section 3 (b) authorizes to credit be given past 2011, instead of 2017, allowing time for a review of the investor act, and also limits the total tax not to exceed \$1,000,000.
- Section 3 (d) was deleted to eliminate transferability of tax credits.

- Section 4 qualifies the eligibility of a Kansas film production business.

- Section 5 is the former Section 4.

- Section 6 provides for the administration of this act by the Department of Commerce. The Department is given full authority to determine rules and regulations regarding what projects are eligible for tax credits.

- Section 7 is the former Section 5, but re-worded and simplified. It provides a list of committees to whom the Department of Commerce will provide reports of the film investor tax credit act.
- Section 7- 4 (f) is the clawback, allowing for repayment of the tax credit if the film production business is in default.

HB2444 provides for a 15% tax credit for approved film projects, and is patterned after similar legislation passed in Hawaii, Louisiana New Mexico, and many other states.

With the dollar softer in Canada, the federal government is trying to get the film industry back to the U.S. We have the opportunity, with this economic development tool, to provide a continual stream of film projects that will provide full time employment to Kansas residents and bring back to Kansas those who are now employed in other states.

Thank you.

Rep. Terrie Huntington

PROPOSED Senate Substitute for HOUSE BILL NO. 2443

By Committee on Assessment and Taxation

AN ACT creating the Kansas film production investment tax credit act.

Be it enacted by the Legislature of the State of Kansas:

Section 1. (a) The purpose of the Kansas film production investor tax credit act is to facilitate the availability of equity investment in film production businesses in the early stages of commercial development and to assist in the creation and expansion of Kansas film production businesses, which are job and wealth creating enterprises, by granting tax credits against the Kansas income tax liability of investors investing in these film production businesses. The Kansas film production investor tax credit act shall be administered by the Kansas department of commerce with the primary goal of encouraging individuals to provide seed-capital financing for emerging Kansas film production businesses engaged in the development, implementation, production and commercialization of film projects.

(b) This act shall be known and may be cited as the Kansas film production investor tax credit act.

(c) The secretary of commerce is hereby authorized to adopt rules and regulations to implement and administer the provisions of this act.

Sec. 2. As used in this act:

(a) "Film production investor" and "investor" mean an accredited individual investor of high net worth, as defined in 17 C.F.R. 230.501(a) as in effect on the effective date of this act, who seeks high returns through private investments in start-up companies and may seek active involvement in film production business. For the purposes of this act, a person who serves as an executive officer, employee, vendor or independent contractor of the business in which an otherwise qualified cash investment is made is not a Kansas film production investor and such person shall not qualify for the issuance of tax credits for such investment;

(b) "cash investment" means money or money equivalent in

consideration for qualified securities;

(c) "Kansas film production business" means any film production business owned by an individual, any partnership, association or corporation domiciled in Kansas, or any corporation, even if a wholly owned subsidiary of a foreign corporation, that does film production business primarily in Kansas or does substantially all of such film production businesses' production in Kansas;

(d) "qualified Kansas film production business" means the Kansas film production businesses that are approved and certified annually as qualified Kansas film production businesses by the department of commerce at the sole discretion of the secretary;

(e) "qualified securities" means a cash investment through any one or more forms of financial assistance as provided in this subsection that have been approved in form and substance by the Kansas department of commerce. Such forms of financial assistance are:

(1) Any form of equity, such as: (A) A general or limited, partnership interest;

(B) common stock;

(C) preferred stock, with or without voting rights, without regard to seniority position, and whether or not convertible into common stock; or

(D) any form of subordinate or convertible debt, or both, with warrants or other means of equity conversion attached; or

(2) a debt instrument, such as a note or debenture that is secured or unsecured, subordinated to the general creditors of the debtor and requires no payments of principal, other than principal payments required to be made out of any future profits of the debtor, for at least a seven-year period after commencement of such debt instrument's term.

(f) "Secretary" means the secretary of the department of commerce.

Sec. 3. (a) A credit against the individual income tax imposed by article 32 of chapter 79 of the Kansas Statutes

Annotated, and amendments thereto, on the Kansas taxable income of a film production investor, shall be allowed for a cash investment in the qualified securities of a qualified Kansas film production business. The credit shall be in a total amount equal to 50% of such investors' cash investment in any qualified Kansas film production business, subject to the limitations set forth in subsection (b). This tax credit may be used in its entirety in the taxable year in which the cash investment is made except that no tax credit shall be allowed in a tax year beginning prior to January 1, 2006. If the amount by which that portion of the credit allowed by this section exceeds the investors' liability in any one taxable year, beginning in the year 2006, the remaining portion of the credit may be carried forward until the total amount of the credit is used.

(b) The secretary of revenue shall not allow tax credits that are attributable to an individual investor of more than \$50,000 of cash investments in the qualified securities of a single Kansas film production business or for cash investments in the qualified securities of more than five Kansas film production businesses each year. No tax credits authorized by this act shall be allowed for any cash investments in qualified securities for any year after the year 2011. The total amount of tax credits which may be allowed under this section shall not exceed \$1,000,000 per tax year.

(c) A cash investment in a qualified security shall be deemed to have been made on the date of acquisition of the qualified security, as such date is determined in accordance with the provisions of the internal revenue code.

Sec. 4. (a) Before a film production investor may be entitled to receive tax credits, as authorized by this act, such investor must have made a cash investment in a qualified security of a qualified Kansas film production business. This film production business must have been approved by the department of commerce as a qualified Kansas film production business prior to the date on which the cash investment was made.

(b) No film production business shall be designated as a qualified Kansas film production business unless such film production business meets all of the following criteria:

(1) The film production business must not have had annual gross revenues of more than \$5,000,000 in the most recent tax year of the film production business;

(2) the film production business must have been in operation for less than five years; and

(3) the film production business must satisfy all other requirements of this act.

Sec. 5. The state of Kansas shall not be held liable for any damages to any investor that makes an investment in any qualified security of a qualified Kansas film production business.

Sec. 6. The designation of a film production business as a qualified Kansas film production business shall be made at the sole discretion of the secretary. Tax credits for qualified Kansas film production businesses are a limited resource of the state. The purpose of such tax credits is to facilitate the availability of equity investment in film production businesses in the early stages of commercial development and to assist in the creation and expansion of Kansas film businesses which are job and wealth creating enterprises. To achieve this purpose the secretary is given the sole discretion to award these limited tax credits to qualified investors in qualified businesses which are most likely to provide the greatest economic benefit to the state. The secretary may consider numerous factors, including, but not limited to, whether: (a) The film production business has a reasonable chance of success;

(b) funding is not available on commercially reasonable terms;

(c) the business has the reasonable potential to create measurable employment within the state;

(d) the existing owners of the film production business and other founders have made or are committed to make a substantial financial or time commitment to the film production business; and

(e) the securities to be issued and purchased are qualified securities. In addition the secretary may require: (1) Reporting of financial data, including an annual report or an annual audit of the financial and operational records of the film production business;

(2) the right to review or reject scripts or proposed film projects not suitable for public financing; or

(3) the right to report and make public submitted data and information related to the issuance of tax credits that are not otherwise determined to be trade or film production business secrets.

Sec. 7. (a) Each qualified Kansas film production business for which tax credits have been issued pursuant to this act shall report to the secretary on an annual basis: (1) The name, address and taxpayer identification number of each film production investor who has made cash investment in the qualified securities of a qualified Kansas film production business and has received tax credits for this investment during the preceding year and all other preceding years;

(2) the amounts of these cash investments by each film production investor and a description of the qualified securities issued in consideration of such cash investments; and

(3) any additional information as the secretary may require pursuant to this act.

(b) The secretary shall transmit annually to the governor, Kansas, Inc., the standing committee on commerce of the senate, the standing committee on economic development of the house of representatives and the joint committee on economic development, a report, based upon information received from each qualified Kansas film production business for which tax credits have been issued during the preceding year, describing the following: (1) The manner in which the purpose, as described in this act, has been carried out;

(2) the total cash investments made for the purchase of qualified securities of qualified Kansas film production

businesses during the preceding year and cumulatively since the inception of this act;

(3) an estimate of jobs created and jobs preserved by cash investments made in qualified securities of qualified Kansas film production businesses; and

(4) an estimate of the multiplier effect on the Kansas economy of the cash investments made pursuant to this act.

(c) The secretary shall provide the information specified in subsection (a) to the department of revenue on an annual basis. The secretary shall conduct an annual review of the activities undertaken pursuant to this act to ensure that tax credits issued pursuant to this act are issued in compliance with the provisions of this act or rules and regulations promulgated by the department with respect to this act.

(d) Any violation of the reporting requirements set forth in this section shall be grounds for loss of designation as a qualified Kansas film production business under this section.

(e) If the secretary determines that a film production business is not in substantial compliance with the requirements of this act, the secretary, by written notice, shall inform the officers of the qualified Kansas film production business and the film production business that such film production business will lose designation as a qualified Kansas film production business unless such film production business corrects the deficiencies and is once again in compliance with the requirements for designation.

(f) Loss of designation of a qualified Kansas film production business shall preclude the issuance of any additional tax credits with respect to this film production business and the secretary shall not approve the application of such film production business as a qualified Kansas film production business. Upon loss of the designation as a qualified Kansas film production business or if a film production business loses its designation as a qualified Kansas film production business under this act by moving its operations outside Kansas within 10 years

after receiving financial assistance under this act, such film production business shall repay such financial assistance to the secretary. Each qualified Kansas film production business that loses such designation shall enter into a repayment agreement with the secretary specifying the terms of such repayment obligation.

(g) Film production investors in a qualified Kansas film production business shall be entitled to keep all of the tax credits claimed under this act.

Sec. 8. This act shall take effect and be in force from and after its publication in the statute book.



LEGISLATURE OF KANSAS
LEGISLATIVE DIVISION OF POST AUDIT

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Testimony for the Senate Assessment and Taxation Committee on HB 2031

Barb Hinton, Legislative Post Auditor

March 9, 2005

Madame Chairman and members of the Committee, thank you for allowing me to appear before you in support of HB 2031. I'm appearing on behalf of my office and the Legislative Post Audit Committee, which introduced the bill.

HB 2031 would remove the requirement for Legislative Post Audit to "take any audit steps" necessary to ensure that the tax abatements the Secretary of Revenue reports to us each year are made in accordance with law, and to issue a report to the Legislature at least once every three years on our findings.

The Committee and the Post Audit staff think this requirement should be repealed for the following reasons:

1. Legislative Post Audit does not have the authority to initiate audits on its own without the approval of the Legislative Post Audit Committee.
2. Although the Post Audit Committee could authorize the audits contemplated in this law, Committee members indicated at their December 13, 2004, meeting that they don't think such audits would be an effective, on-going use of the Legislature's limited audit resources. No legislative interest has been expressed about these audits.
3. The Committee frequently directs Post Audit to conduct performance audits of specific aspects of the Department of Revenue's operations when legislative concerns have arisen in those areas. Some examples of audits the Committee has authorized in recent years:
 - Tax Enforcement: A K-GOAL Audit Determining Whether the Department of Revenue Is Collecting Delinquent Trust Taxes Owed the State
 - Taxation of Contractor Equipment: Determining Whether Kansas' System of Taxes and Fees Is Similar to Surrounding States
 - Motor Fuel Tax Refunds: Determining Whether Adjustments made to Refund Claims Were Handled Correctly (100-hour audit)
 - Taxes on Motor Vehicle Sales: Reviewing the Department of Revenue's Procedures for Ensuring That Correct Amounts of Sales and Compensating Use Taxes Are Paid
 - Corporate Income Taxes: Reviewing Factors Affecting the Recent Steep Drop in Those Tax Receipts
 - Reviewing Various Issues Related to the Department of Revenue's Handling and Processing of Tax Returns

I would urge the Committee to give favorable consideration to this bill, and would be happy to answer any questions.

Assessment & Taxation
Date 03-09-05
Attachment # 3

Testimony on HB 2443 and 2444

March 9, 2005

The Honorable Barbara Allen
Chairwoman, Senate Assessment & Taxation Committee
Kansas Senate
Statehouse
Topeka, Kansas 66612

Chairwoman Allen and Members of the Committee;

My name is Jim Graham, I am Vice President, Sales and Marketing for QuVIS Inc. My family and I live here in Topeka. QuVIS Inc is recognized worldwide as a leading manufacturer of high resolution, high fidelity digital imaging equipment for the entertainment, film and post production industries. QuVIS Inc is headquartered in Topeka, and currently employs more than 40 people in the state of Kansas.

Although we have maintained our roots and headquarters here in Kansas for the last ten years, our products are installed around the globe. As I mentioned the last time I spoke before you, of more than 700 installations worldwide, only one is in Kansas, and that was installed by a Massachusetts company.

As a practical matter, the portion of the entertainment business that makes up about half of our annual sales doesn't have a significant permanent presence in Kansas. For QuVIS, this means that our engineers spend more time than either we or they would like on planes, going to and from Los Angeles and other cities that support a full time feature film infrastructure. For obvious and self-serving reasons, we at QuVIS would like to see additional support for a full time indigenous Kansas based feature film industry and infrastructure.

In this industry, as in many others, the playing field is not level. Incentives and support play a large roll in where filmmakers decide to work, for both production and post. I know there are others who will address the comparison to other states, but on a global level, the incentives that are proposed in these bills are fairly modest. To put this in perspective, QuVIS was just selected as the digital server provider for a UK based project to install 250 digital cinema screens. These digital screens will not be in high profile suburban shopping mall theatres, these screens will be in what we would classify as "art house" theatres. The entire project is being funded by the UK Film Council to provide greater public access (and a broader and more lucrative market) to independent films – particularly those produced in Britain and the United Kingdom. This spending is *on top*

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of the extensive incentive and support program already in place for production and post production.

Unfortunately, I am going to have to leave early today as I am flying to Burbank this afternoon. I am joining a delegation from the EDCF – the European Digital Cinema Forum. This is an EU funded body that includes industry participants. Their charter is to provide the direction and standards for the digital cinema in Europe. This also has a direct impact on the digital transition of the production and post production industry for those working in Europe and for the European market. This transition is seen as critically important to the ongoing health of the indigenous film industries in each of the member countries.

Worldwide, the industry is presently in the midst of a pivotal transition. A large part of QuVIS' success springs from this transformation of the production and post production process. For the feature film industry the transition from analog to digital is at least as important as the introduction of sound, the addition of color processing, or the introduction of low cost 16 mm production equipment. This transition offers the film maker more control over almost every aspect of the production. It offers everything from more creative control to lower production costs. Importantly for Kansas, it also helps open the production and post production process to new players at more achievable investment levels.

QuVIS is keenly interested in seeing more production and post production work here in Kansas. Today productions tend to use Kansas as a “location”. The majority of the work (and money) then end up in other locales. We would like to see the development of a production workflow in Kansas to support a local indigenous industry. We would like to see the state encourage a workflow that would support the creation of permanent jobs and additional opportunities for Kansans.

The film industry produces direct benefits in terms of jobs and payroll, but perhaps even more importantly, it can introduce a wide range of indirect benefits as well. Those indirect benefits include everything from the development of additional local support business, creation of intellectual property and skills training for our workforce to spin off benefits in industries such as tourism and travel.

The transition that is underway right now opens the door for Kansas, but we will be competing with other states and countries that recognize the opportunity that this provides. QuVIS would embrace the opportunity to support an initiative to encourage film production in Kansas. We already work with The Kansas Connection and the Kansas Film Commission promoting the benefits of Kansas to film makers at trade shows and industry events. We believe it is in the best interests of not just ourselves, but of all Kansans to encourage development of a permanent sustainable cinematic production environment in Kansas.

Thank-you for the opportunity to present today.

Sincerely Yours,

Jim Graham
Vice President Sales and Marketing
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Testimony on HB 2443 and 2444 before the
Senate Committee on Assessment and Taxation
Senator Barbara Allen, Chairwoman
By Barbara Nash

March 9, 2005

Chairwoman Allen and Members of the Committee:

My name is Barbara Nash. I came to Kansas from Chicago in September 1963 to attend the University of Kansas. After graduation I chose to remain in Kansas, those 2 decisions I consider the best I ever made. I spent 25 years working in the television industry and currently am a commercial pilot and flight instructor in the Kansas City area. I am also the current chairman of the Kansas Film Commission and it is my honor to appear before you today as a proponent of House Bills 2443 and 2444.

Since being appointed to the Film Commission over 6 years ago, I have had the opportunity to learn a great many things about the film and visual media industry and its impact on people, communities, education and the economy. I have learned that Kansas has a great history in this industry. We have had several independent films, made-for-TV films and major theatrical films produced here. We have native Kansans who have achieved great success and many who are working hard to do so in the future. I have learned that the film industry that is ever evolving. We must also evolve as other states have to attract productions to Kansas which is, after all, our job. Passage of the bills before you today will put us on the same page as states like New Mexico. In 2003 New Mexico's similar legislation saw a ten fold increase in film production revenue over 2002's \$8 million.

Over the last few weeks Sir Richard Branson's Global Flyer Project based in Salina hired many people for support services, aviation students from K-State for semi-skilled positions in Mission Control, spent millions of dollars in Kansas and created headlines about the Global Flyer and Kansas for several weeks. One of my former students was part of that crew. A few years ago part of the major theatrical film "Ride with the Devil" was produced in Kansas. The film company hired many people as extras, laborers to build sets, hired Kansas filmmaking students for semi-skilled filmmaking jobs, spent 9 million dollars in Kansas and created headlines about the film and Kansas for several weeks. The impact on economic development for our State from both projects was huge. The impact on my aviation student and the film students whose names appeared on the credits was priceless. TV, movies and major events create a very high profile for Kansas, educate our youth, create great excitement in our neighborhoods and bring a large amount of money that stays in Kansas! On a smaller scale, but just as important, this summer's release of the Kansas produced film "CSA" will do the same thing.

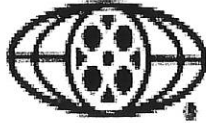
As a pilot learns to trust his or her instruments to steer the correct course, I have learned to trust the advice of Kansas filmmakers who are experts in this field. You have before you thoughtful, comprehensive written testimony from very successful native Kansans in

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the film industry imploring you to have the vision to return film productions back to our State. You also have a current copy of the incentives offered by other states and recent articles that confirm the rewards those incentives have created for the states that adopted them. These are the instruments you can trust to keep Kansas on the right course...a course that can be *as big as we think!*

Thank you for your hard work and dedication to this wonderful State and the opportunity to present this testimony. I will be happy to stand for any questions.

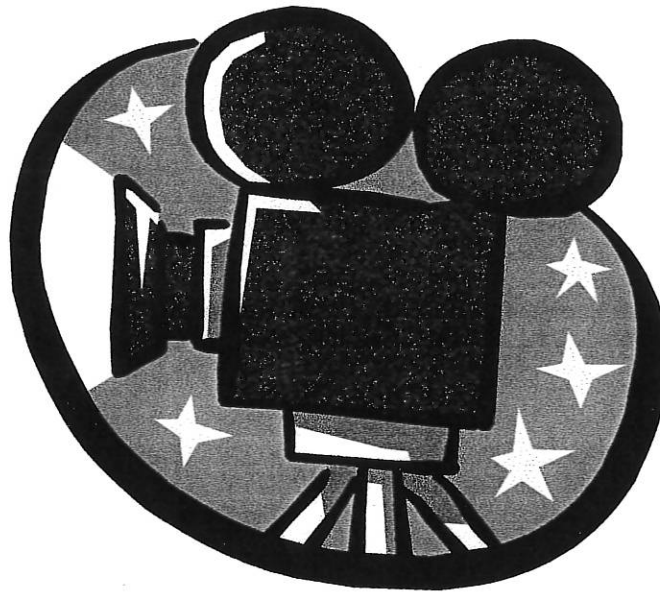
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MOTION PICTURE ASSOCIATION OF AMERICA, INC.

2004 STATE-BY-STATE TAX INCENTIVES

FOR THE FILM INDUSTRY



Compiled by Angela Miele
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MPAA STATE BY STATE TAX INCENTIVES

STATE	TAX INCENTIVES January 26, 2005
Alabama:	State and local sales and use tax exemption for the purchase or lease of equipment, props, supplies, materials and services used in production. Additionally, no state and local lodgings tax for rooms used by production staff.
Alaska:	No state sales tax. No state individual income tax.
Arizona:	A 50% Sales (transaction privilege) and use tax rebate on the purchase or lease of tangible personal property if producers spend over \$1 million in Arizona filming movies for theaters, TV, video, industrial or educational films, commercials or advertising. A second threshold of expenditures of \$250,000 applies to television commercial or advertising in commercials aired in two minutes or less. No withholding tax from wages of nonresidents engaged in any phase of motion picture production. No state tax on lodging after 30 days.
Arkansas:	Full gross receipts and use tax refund on the purchase of property and services including lodging in connection with production costs. To qualify, a production company must spend at least \$500,000 within six months or \$1 million within 12 months in connection with the production.
California:	No sales or use tax on production or postproduction services on a motion picture or TV film. No sales and use tax on services generally. Such industry specific services include writing, acting, directing, casting and storyboarding. A partial sales tax exemption (5% except for 2001, when it was 4.75%) on the purchase or lease of postproduction equipment by qualified persons. No sales and use tax on 45% of the charges for sets, including labor to design, construct and strike and no sales tax on the full charge for the rental of personal property. No state hotel tax on occupancy, however, cities or counties that impose a local tax have a tax exemption for occupancies in excess of 30 days.
Colorado:	No sales and use tax on film company services if, in fact, the company is providing a service and not tangible personal property. No hotel Occupancy tax for hotel stays in excess of 30 days.
Connecticut:	Sales and use tax exemption for the purchase, lease, use storage or other consumption of motion picture, video production or sound recording equipment for

MPAA STATE BY STATE TAX INCENTIVES

Connecticut: Cont.	use in the state for production activities that become an ingredient of any motion picture, audio tape or recording produced for commercial entertainment. No hotel occupancy tax for hotel stays in excess of 30 days.
Delaware:	No state sales tax.
Florida:	Sales and use tax exemption for the purchase or lease of motion picture, video or other equipment (depreciable equipment with a useful life of at least three years) if used exclusively as an integral part of production activities in the preparation of motion pictures, tapes, TV or productions produced for commercial use or sale. If equipment and personnel used belong to the producer of a qualified motion picture, no tax on fabrication labor. Repair of motion picture equipment is exempt from tax if the equipment is used exclusively by the producer as an integral part of production activities. No state individual income tax.
Georgia:	Sales and use tax exemption for the purchase or lease of a wide range of production and postproduction equipment and services for use in qualified production activities in the state.
Hawaii:	A refundable income tax credit up to 4%, which is deductible from net income tax liability, of the costs incurred in the state in the production of motion picture and television films, and up to 7.25% rebate for the for transient accommodation tax (hotel room tax). Must spend at least \$2 million in Hawaii for motion pictures or at least \$750,000 to produce a television episode, pilot or movie of the week.
Idaho:	No hotel occupancy tax on hotel stays of 30 days or longer.
Illinois:	Sales and use tax exemption for products of photoprocessing produced for use in motion pictures for public commercial exhibition. (Effective 1/1/2004, a 25% income tax credit for Illinois labor expenditures (within a 12-month period), capped at the first \$25,000 in wages for each employee. The credit may not be carried forward or carried back and excludes the salary or wages paid to the two highest paid actors.) The 14.9% hotel tax is reimbursed for stays in excess of 30 days.
Indiana:	No hotel tax on stays of 30 days or longer.
Kansas:	No hotel tax on stays of 28 days or longer.
Kentucky:	Sales and use tax refund for purchases made by a motion picture production company in connection with filming in Kentucky if the company films or produces one or more motion pictures in the state during any 12-month period.

MPAA STATE BY STATE TAX INCENTIVES

Louisiana:	Sales and use tax exemption for a broad range of production expenditures; must spend a minimum of \$250,000 within a 12-month period (Effective 7/1/02-6/30/06). Provides an employment tax credit (10% if in-state payroll expenditures are between \$300,000 and \$1 million and 20% if in-state payroll exceeds \$1 million) against the aggregate payroll for Louisiana residents, must spend at least \$300,000 in a taxable year (expires 7/1/06). Transferable investor tax credit 10% of the investment made if it is between \$300,000 and \$8 million, 15% for investments in excess of \$8 million. After 30 consecutive days, the 14.9% hotel tax is reimbursed.
Maine:	Sales and use tax exemption for tangible personal property and services used primarily in production. Revenue Department Ruling in 2004 proclaimed film production a manufacturing process. Hotel occupancy taxes are rebated after 28 consecutive days.
Maryland:	State sales and use tax exemption for the purchase or lease of production or postproduction equipment, services, supplies, props and sets used in the production of motion picture, television, video, commercials and corporate films. No state sales tax for hotel stays in excess of 30 days.
Minnesota:	No sales tax on hotel stays of 30 days or more.
Mississippi:	Effective July 1, 2004. For all feature films, television projects, documentaries, or commercials: a 10% tax credit for payroll of in-state residents; a 10% rebate of all in-state production-related expenditures, excluding payroll; a reduced sales tax (7% to 1½ %) for motion picture equipment (camera, lighting, audio, projection, editing, etc.); a sales tax exemption for the purchase of film, videotape, set building materials, set dressing, props, wardrobe, fabric, make-up, most expendable items.
Missouri:	Provides a transferable/carry forward (5yrs) income tax credit up to 50% of expenditures in the state to a maximum of \$500,000 in tax credits per project. Productions must spend a minimum of \$300,000 in the state. \$1 million/year available for total credits. No sales tax on hotel stays after 31 days.
Montana	No state sales tax. No business equipment tax on motion picture related vehicles and equipment brought into the state for the first 180 days. State 7% accommodations tax rebate for stays in excess of 30 days.
Nevada:	No corporate or individual Income tax. Low hotel room tax.
New Hampshire:	No state sales tax. Individual Income tax on interest and dividends only.
New Jersey:	Sales tax exemption for all film and video related machinery and equipment as well

MPAA STATE BY STATE TAX INCENTIVES

<p>New Jersey: Cont.</p>	<p>as services of installing, repairing and maintaining the equipment, used directly in production and post production of motion pictures, television or commercials. Loan Guarantee Program up to a maximum of \$1,500,000 (or an amount no greater than 30% of any loan for the film project that is derived from other sources, whichever is less), to production companies if 70% of the shooting days are in the state and at least 50% of the below-the-line expenses are in state.</p>
<p>New Mexico:</p>	<p>State sales tax exemption on all production costs including set construction, wardrobe, facility and equipment rental, all production and postproduction services. State sales tax exemption on all production costs including set construction, wardrobe, facility and equipment rental, all production and postproduction services. A 15% refundable income tax credit on in-state film production expenditures. Producers must choose either the sales tax exemption or the 15% tax credit. Also, guaranteed investments may be considered for up to 100% of the estimated production costs, capped at \$7.5 million per project. Loan structures would have to be "fully and unconditionally guaranteed" by an entity with an investment grade bond rating; and equity structures require presales/distribution. After 30 days, the 4% lodgers tax is waived for hotel guests.</p>
<p>New York:</p>	<p>Comprehensive State, New York City and local sales and use tax exemption for machinery, equipment and services used in production and postproduction activities in the production of feature length films, television programs, music videos and commercials. Film and television and commercial productions receive tax exemptions whether they are produced and delivered electronically or in tangible form. Effective 8/20/04 a 10% corporate/partnership/individual income tax credit for film and television productions (no commercials or music videos) for below-the-line in-state expenses (and actors with non-speaking roles) if 75% of the aggregate sound stage work (excluding postproduction) is performed in a NY production facility at least 7,000 square feet. The credit is 50% refundable in the first year and fully refundable after 2 years. If less than \$3 million (excluding postproduction) is attributed to the production facility related costs, then 75% of the aggregate shooting days outside of the facility must be in NY in order for NY location costs to qualify for the credit. Credit is capped at \$25 million/calendar year, the cap is a rolling cap; if the cap is exhausted in one year the projects will be eligible in the following year on a first-come first-served basis. An additional 5% refundable tax credit against corporate, partnership, or unincorporated business tax liability, for taxable years beginning on or after January 1, 2005, against New York City tax liability with the same qualification parameters as the state credit. The City's annual credit cap is \$12.5 million.</p>
<p>North Carolina:</p>	<p>Reduced sales and use tax (1%) rate, on the purchase and rentals to motion picture production firms of cameras, films, set construction materials, as well as chemicals and equipment used to develop and edit film that is used to produce release prints. Full exemption for the purchase of film that becomes a component part of release prints sold or leased. The chemicals used to develop release prints and audiovisual master tapes used in production are also exempt from sales tax. Film production cost rebate program if you spend at least \$1 million, however funding has been suspended.</p>
<p>Ohio:</p>	<p>No state sales tax on hotel stays in excess of 30 days.</p>

MPAA STATE BY STATE TAX INCENTIVES

<p>Oklahoma:</p>	<p>Sales tax exemption on sales of tangible, personal property or services to a motion picture or television production company to be used or consumed in connection with a feature or television production. A rebate program provides up to 15% of eligible costs for film production in the state if an income tax return is filed there.</p> <p>The total payments will not exceed \$2 million per fiscal year. State sales tax rebate on hotel stays after 30 days.</p>
<p>Oregon:</p>	<p>No state sales tax. Lodging taxes waived for rooms held longer than 30 days. Other local incentives including parking rebate up to \$1,000 of parking fees incurred within Multnomah County (Portland area) for every 100-hotel room nights purchased.</p>
<p>Pennsylvania:</p>	<p>A 6% sales and use tax exemption for the purchase or rental of any tangible personal property and services in Pennsylvania used directly in the production or post production of a feature length commercial motion picture distributed to a national audience. Newly enacted assignable corporate, partnership or income tax credit equal to 20% of production costs including wages if in-state spending is 60% of aggregate production expenses for features and television productions. Three-year carry forward provision, total annual state credit disbursement capped at \$10 million/fiscal year. Applies to expenses incurred after 6/30/04 and before 12/31/12 and taxable years commencing after December 31, 2003.</p>
<p>Puerto Rico:</p>	<p>Up to a 40% investment tax credit is available for motion picture and television expenditures paid to Puerto Rico Businesses or below the line talent if at least 50% principal photography is in Puerto Rico. The credit is available for projects first approved by the Film Commission once applicants pay ¼ of 1% of the film's budget for a license. Local investors will partner with non-Puerto Rican based companies to help them access the investment tax credit.</p>
<p>South Carolina:</p>	<p>Effective 7/1/04, if you spend \$250,000 in-state: available sales and use tax exemption for the purchase of equipment and supplies and an exemption for the State accommodations tax (7%), if you spend \$1 million in-state you receive a five percent rebate for total aggregate payroll for persons (crew, actors, extras) subject to SC income tax withholding (excludes individual salaries of \$1 million or more) and a 7% rebate for purchases/rentals of certain in-state goods and services.</p>
<p>Tennessee:</p>	<p>Sales and use tax refund for out-of-state motion picture companies for goods and services purchased or rented in Tennessee if the company spends at least \$500,000 within a 12-month period.</p>

MPAA STATE BY STATE TAX INCENTIVES

Texas:	Comprehensive sales and use tax exemption for purchased or rented equipment or services used in the production of a motion picture or a video recording for ultimate sale, license or broadcast (including cable broadcast). No sales tax on hotel rooms for stays in excess of 30 days.
Utah:	Beginning <u>July 1, 2004</u> state sales and use tax exemption for the purchase, lease or rental of machinery and equipment used in the production or postproduction of motion picture, television, music video or commercial productions. Transient room tax rebate on hotel stays of 30 days or more.
Vermont:	State sales and use tax exemption for the purchase or lease of goods and services used in the production of films, television programs or commercials. Credit for nonresident income tax for commercial film production if Vermont income tax exceeds income tax rate in the state of residence. No hotel or meal tax after 30 days.
Virginia:	Sales and use tax exemption for production services or fabrication in connection with the production of any portion of exempt audio/visual work, feature or made-for-TV films, programs, documentaries, commercials, etc. The purchase of tangible personal property including scripts, artwork, supplies, equipment and accessories are also exempt.
Washington:	Sales and use tax exemption for the purchase or rental of production equipment and services used in motion picture or video production or post-production. No sales and use tax on vehicles used in production. No tax on hotel stays in excess of 30 days. No state individual income tax.
Wyoming:	A list of Wyoming businesses offer production companies filming in Wyoming a 10% discount on production related services including hotels/motels, restaurants, caterers, etc. No tax on hotel stays in excess of 30 days. No state corporate or individual income tax.

For individual state film office websites, visit: [Http://www.afci.org](http://www.afci.org)

on location

Borys Kit



New Mexico bolstering incentives for film biz

In 2002, New Mexico introduced a generous film incentive program that includes a 15% tax rebate with a fully refundable tax credit as well as a \$7.5 million investment/loan for film projects. The program was so successful that in just two years the state went from hosting zero movies to welcoming 25 projects. According to the New Mexico Economic Development office, the film industry has generated close to \$200 million in new revenue for state and local economies. New Mexico has led the way in film tax legislation, becoming a model for others to follow as well as a leader in fighting runaway production to Canada.

Other states have begun to follow its example. Last month, film legislation was introduced in the Arizona Legislature that does New Mexico 5 percentage points better with a proposed 20% tax rebate.

So where does New Mexico go next?

One problem the state still faces is that companies come there to shoot but then bolt after wrapping because the state lacks a complete infrastructure. That might soon change.

Digital Media Group plans to build a \$50 million digital media production facility on the site of an old rail yard. The plan includes two 20,000-square-foot soundstages, two digital insert stages, a construction mill and food service and child-care facilities. Another company plans to build a smaller-scale facility called the Rio Grande Studios.

What characterizes both facilities, and others like them in the planning stage, is a focus on technology. DMG says it will not only be able to take a project from preproduction through post but also pursue advanced medical imaging and virtual training technologies, plus digital imaging and simulation. Rio Grande aims to have a previsualization room and a CGI animation suite. Both will tap into a technology hub known as the Rio Grande corridor where \$6 billion worth of research and development in medicine, defense and computers will take place.

DMG co-CEO Debra Rosen says the digitization of the motion picture industry allows for crosspollination, be it people or business opportunities. "We're not trying to be all things to all people from a technology point of view, but the tools we have in our business can be applied and transferred to other industries like medicine, defense, science and education," she says.

"We have this interest from the outside to build infrastructure on the technology that we have here in the state," says Lisa Strout, director of the New Mexico Film Office. "When this first started, we were really focused on conventional film. And no one was really thinking where things would be going in the digital explosion. So (the program) worked really well, and now we have to expand. This is the next phase for us."

The state government isn't sitting back, either. Several pieces of legislation that would bolster its infrastructure are being considered. The current 15% rebate applies to postproduction work only if you shoot in the state; post doesn't stand alone. A clause in the pending legislation would allow all parts of the production process to fall under the rebate. Another piece of the legislation seeks to allow productions to receive 80% of their expected rebate before shooting. A separate measure aims to expand the work-force training program and give it more funding. And another bill would double the investment/loan fund to \$15 million.

"This is where we need to be (to remain competitive)," Strout says. While New Mexico intends to remain competitive with stars like Louisiana, which offers strong incentives, it is more concerned about its immediate neighbors. Adds Strout, "We're concerned more about neighboring states because the terrain is more similar."

Borys Kit can be reached at bkit@hollywoodreporter.com

'Amu'

BERLIN — For an Indian, 1984 conjures up not the specter of George Orwell's famous novel but the riots in the capital city of Delhi following the assassination of Prime Minister Indira Gandhi. For three days, mobs, allegedly led by politicians and abetted by police, went on a rampage in which thousands of Sikhs were injured or slaughtered. "Amu," the first feature film by Shonali Bose, a UCLA film school grad and political activist, boldly rips away a tapestry of lies and cover-ups by successive Indian governments, which even today refuse to prosecute even one individual.

The heat of Bose's anger is tempered by a keen sense of drama and character as she uses a story set in present day to unravel the shameful truth. While receiving its first international exposure at the Berlinale, "Amu" has played in Indian theaters since Jan. 7, where it is attracting large crowds and controversy. The film certainly has the legs for wide travel and could penetrate many theatrical markets, including North America.

Bose wisely chooses to present the story as that of an American immigrant so the film can not only deal with the issue of cultural identity but also take the point of view of an outsider. Amu (played by Bengali actress Konkona Sensharma) goes to visit relatives in Delhi from her Los Angeles home after college. An upper-class student named Kabir (Ankur Khanna) teases her about her quest to discover the "real India." The two become friends despite this challenge to Amu's naivete.

Wandering among the crowded markets and slums of Delhi, Amu experiences odd feelings that refuse to go away. Asking questions with the determined curiosity of youth, she learns about the riots and, as an adopted child, wonders whether

they have any connection to her parents' demise. Her adoptive mother, Keya Roy (Brinda Karat), becomes flustered by her daughter's prying.

Soon the movie takes on the quality of a first-rate detective story as the two young people dig deeper and deeper into family secrets. Amu is not certain which she dreads more: discovering that rioters killed her parents or that a man who just might be her father participated in the slaughter.

As a 19-year-old student in Delhi, Bose worked in the refugee camps where she heard the horror stories that form the basis of her screenplay. The script skillfully draws a viewer into this maelstrom of hatred using both the mystery story and budding romance between Amu and Kabir. It beautifully personalizes a social and political tragedy without resorting to the old Hollywood trick of thrusting a white journalist or tourist into foreign chaos.

"Amu" is less about finger-pointing than a plea for India to confront its past, to overthrow its official amnesia and deal with the cycles of sectarian violence that continue to haunt that country as witnessed by the 2002 uprising in Gujarat. (The film ends as those riots begin.) Bose is a fearless filmmaker who certainly knows how to tell an engrossing tale without compromising her political viewpoint.

BY KIRK HONEYCUTT

screened
Berlin International Film Festival

the bottom line
A political inquiry worthy of a young Costa-Gavras.

AMU
Jonai Prods.

Credits: Screenwriter-director-producer: Shonali Bose; Executive producers: Bedabrita Pain, Gurdip Singh Malik; Co-producers: Atiya Bose, Aidan Hill; Director of photography: Lourdes Ambrose; Production designer: Ayesha Punvani; Music: Nandial Nayak; Costume designer: Sujata Sharma; Editor: Bob Brooks. **Cast:** Kaju: Konkona Sensharma, Keya: Brinda Karat, Kabir: Ankur Khanna, Tuki: Chaiti Ghosh, Grandmother: Aparna Roy, Uncle: Ashish Ghosh.

No MPAA rating, running time 101 minutes.

corrections

Danielle Thomas is with Handprint Entertainment (Esquire's the Envelope Please Party, About Town With Oscar, HR 3/1).

Karen Forman has joined APA Agency. Rockne O'Bannon, Bruce Miller, Charles Fischer and Chuck Sklar have signed with Kaplan Stahler Gumer Braun Agency. (The Rep Sheet, HR 2/24).

Lifetime Television acquired "Will & Grace" from Warner Bros. Domestic Cable Distribution (HR 2/17).

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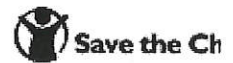
From: CURTIS46@AOL.COM
To: flybarbara1@yahoo.com
CC: CURTIS46@AOL.COM
Subject: Variety.com - New Mexico filming soars
Date: Fri, 18 Feb 2005 07:07:31 -0800

DOUG CURTIS (CURTIS46@AOL.COM) has sent you an Article.

<http://www.variety.com/story.asp?l=story&a=VR1117905620&c=8>




Young tsunami victims need your help



Posted: Wed., May 26, 2004, 6:27pm PT

New Mexico filming soars

By **BASHIRAH MUTTALIB**

The cameras keep rolling and New Mexico's film coffers are benefiting.

In 2003 film revenue was \$80 million, an increase of 1,000% from the previous year's \$8 million. This year promises additional activity, with an anticipated slate of 14 film and TV pics.

Paramount's remake of "The Longest Yard" is a significant part of that production calendar, announced New Mexico Governor Bill Richardson.

"Once again, our incentives, our qualified workforce and the beauty and culture of New Mexico have beat out foreign competition. This movie won't be shot in another state, or in Canada or in Europe – it will be shot right here."

According to economic development secretary Rick Homans, the film was won and lost several times as Hawaii also vied for the production. A team effort by several state departments and a promotional trip last fall by the governor touting the state's advantages to Hollywood studio heads, including Paramount chair-CEO Sherry Lansing, garnered New Mexico serious consideration.

The picture will spend approximately eight weeks in pre-production – Paramount will add a new facade to Old Main, the old state penitentiary in Santa Fe – and an additional four to five weeks filming.

"We looked at prison locations across the country. We are delighted to have chosen New Mexico, not only for artistic reasons but also for the important financial incentives offered by the state. Together they created a winning package."

line producer Barry Bernardi.

New Mexico offers film productions a 15% gross-receipts rebate of the total budget and no-fee location shooting at a state site. The state also plans to assist indie productions, with no-interest loans of up to \$7.5 million for qualifying

"The Longest Yard" will be helmed by Pete Segal ("50 First Dates"). Adam Sandler, Chris Rock and Burt Reynolds

* * *

Oregon plans to get Hollywood's attention with a new film office in L.A.

"Even with our close proximity to Los Angeles, we felt it would be very helpful to the industry for us to have some ground in the L.A. area and immediately accessible to the industry," said Veronica Rinard, exec director of the Oregon Film and Video Office.

The L.A. operation will be headed by Kayla Thames, a locations manager for several years on features and TV productions, as well as a past production specialist at the California Film Commission.

Thames contends that Oregon is in an ideal position to compete with major international locations, including Canada and New Zealand.

"Oregon offers outstanding locations that can match them look for look, with no customs agents to deal with. And crew base has that solid work ethic filmmakers expect," she said.

In addition, Oregon boasts a supportive business community and a new incentive program. Through the Oregon Film Investment Fund, certain film costs incurred after Jan. 1, 2005, by qualified production companies will be eligible for rebates of 10%.

Thames may be reached at kayla@oregonfilm.org or (323) 656-0889.

Read the full article at:

<http://www.variety.com/story.asp?l=story&a=VR1117905620&c=8>

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LOUISIANAFI
AND TELEVIS

NEWS & PRESS RELEASES

Louisiana film tax credit generates millions in movie business (Shreveport Times) -- 02.07.2005

Louisiana film tax credit generates millions in movie business. By John Hill, February 6, 2005 The money The Louisiana film and TV and video tax credit program spurred huge growth in production dollars spent in Louisiana. Here's how it has grown: 2002 \$20 million, 2003 \$210 million, 2004 \$335 million. Source: Governor's Office of Film and Television. BATON ROUGE -- As changes in the state income tax rates put the pinch on higher-income taxpayers, Shreveport commercial banker Harold Turner checked out Louisiana's new film tax credit program.

He could buy film tax credits the state grants to movie production companies and use them to reduce his taxes. Turner bought the excess tax credits from "The Runaway Jury," one of the first productions to take advantage of the Louisiana program that, in effect, helps producers raise part of their money.

"I looked at the movie in a different light. I felt a little part of it," Turner said.

Louisiana's film and TV tax credit program, approved by the state Legislature in 2002, is a growth industry that has spawned a new business of brokering movie tax credits -- which any Louisiana taxpayer with a need to reduce taxes can purchase.

Here's how it works: The state grants tax credits to movie companies worth up to 15 percent of production costs.

The tax credits are worth a dollar-for-dollar reduction in state income taxes.

The movie companies, usually California-based, normally pay far less Louisiana taxes than the credits are worth. The company is allowed to sell the excess tax credits, bought by Louisiana-based firms to reduce their taxes or to resell to individual taxpayers, usually in increments of \$10,000, who then can use the credits to reduce their personal taxes.

The result has been an explosion in movie investment in Louisiana.

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beginning with 2003, the first year the tax credits were available.

There is a check on the movie companies: They must certify their expenses post-production.

The movie "Ray," the Ray Charles story that has six Oscar nominations, was one of the first major productions to take advantage of the Louisiana film program. The importance of the movie is that none of it was set in Louisiana, but the bulk of it was shot in the state. For instance, a New Orleans street scene was used to depict New York, with only the very knowing able to catch the trademark Whitney National Bank Building tower in a background scene.

"Ray" marked the turning point in the Louisiana film industry.

"What we had experienced just a few years ago is that they had taken movies that were set in Louisiana but shot it up in Canada, where they had built a set that looked like the French Quarter," said Louisiana Gov. Kathleen Blanco, who as lieutenant governor worked with the film industry. "That was so insulting."

Blanco happily turned over her office last week to the production of "All the Kings' Men," a \$60 million major production starring Sean Penn and Jude Law, who are spotted in and around the Capitol.

"In order to be eligible for the film credits, they have to hire Louisiana people," Blanco said. "We just see more opportunities for our citizens."

The governor said she's been in talks recently with film people from New York and Los Angeles about building a post-production facility in Louisiana. "That would be the best of all worlds to be able to get them not just for our beautiful scenes, but to also do the finished production here.

"It would save them a lot of money," Blanco said. "And it would create a lot of high-technology jobs here."

"All the King's Men" co-producer Ken Lemberger said the film could have gone anywhere in the South even though the movie's story comes from the Pulitzer Prize-winning novel by Robert Penn Warren that was based on Huey Long and set in Louisiana. "We considered other locations quite seriously."

But the film company was "approached very aggressively" by the Louisiana Film Commission and the governor's office, Lemberger said. "In the end, it was not only the locations but also the tax incentive -- a very significant number" that sewed up the production in Louisiana.

"The state has gone out of its way to make it easy to get the credit," he said. "The law is simple, very direct. You can enjoy the benefit while

you are filming."

Other state tax-incentive programs grant the benefits only after production.

"We needed to produce this film as economically as possible," Lemberger said. "It's not a cheap film. We have a lot of expensive actors."

The impact of the tax program has been huge, said Alex Schott, director of the Governor's Office of Film and Video Development. "Ray" would have been shot in Georgia.

"Because of the incentives, we are able to get films that are not set in Louisiana. We can duplicate other locations like downtown New Orleans for a New York street scene."

Schott said the movie "Cold Mountain," set in the South during the Civil War, was shot in Romania. "If they can film a Civil War epic in eastern Europe, they can go anywhere."

"Runaway Jury" was bound for Canada when the tax incentives lured it to New Orleans, Schott said.

About one-third of a movie's production costs go into the local economy, from purchases by the caterer to drivers to crew members. The boom is causing Baton Rouge Community College to look at adding film production classes.

The companies hire extras, local talent, skilled workers, grips and gaffers. And the jobs pay well, Schott said.

Baton Rouge native George Kostuch, now a Los Angeles film producer and tax credit broker, said Hollywood has taken notice of Louisiana, which he talked up at the recent Sundance Film Festival.

"Whenever you mention Louisiana, people's eyes light up. It has become the star of the show. Hollywood understands the value of shooting a film in Louisiana."

Kostuch's company is financing five upcoming projects for Louisiana, including an independent film that will star Sissy Spacek.

And he said he's been in recent talks with venture capital firms contemplating investment in post-production facilities and soundstages in Louisiana. "I was talking with some bankers from Hibernia who are financing support companies" such as lighting companies and film caterers, he said.

The benefits of the tax program far outweigh the tax credit costs to taxpayers, said Shreveport film producer Jim McCullough, who is joint partner with some Shreveport firms that sell tax credits.

"We are putting a lot of effort into bringing production to Louisiana," McCullough said. "The math of it is simple: 85 percent of the production stays in the state, so it's a pretty good trade."

Stephen Roberts, a partner in a Shreveport CPA firm that sells the credits, said about 600 people, all but about five of them individuals, have purchased the film tax credits his company has brokered.

"We pay the producer cash at a discounted amount. We, in turn, sell them to any Louisiana taxpayer. It's primarily our client base, but it's available to any Louisiana taxpayer."

Only higher-income taxpayers, usually those with six-figure incomes, usually benefit because the minimum tax credit sold normally is \$10,000, Roberts said. A \$10,000 tax credit purchased for \$8,500 could save the taxpayer \$1,500, he said.

"You can carry the credits forward for a 10-year period. But we would only recommend you buy it on a year-by-year basis."

The \$10,000 limit is about standard in this growth industry because of the paperwork involved, he said.

So who buys the credits?

"Young professionals, a yuppie couple making \$100,000 a year, moms and pops," Roberts said.

Shreveport accountant John Dean, who also works with McCullough, has become a convert to the benefits of the tax credit program. "People are coming out of the woodwork trying to buy the credits.

"There are some of us who were skeptical of the motion picture business who are now looking at it more seriously as a money-making venture," Dean said. "I first saw it only as a tax credit, but you are seeing it as an economic development tool."

The Shreveport Times
February 6, 2005

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GOVERNOR BLAGOJEVICH ANNOUNCES ILLINOIS MOVIE AND TELEVISION PRODUCTIONS GENERATED \$77 MILLION AND ALMOST 15,000 JOBS FOR STATE ECONOMY IN 2004

- Revenues Soar 200% In 2004 Thanks to the Renewal of Film Tax Incentive Legislation

FROM THE OFFICE OF THE GOVERNOR

January 12, 2005

CHICAGO – In another strong indication that Illinois is once again attracting a growing number of important movie and television productions, Gov. Rod Blagojevich announced today that projects filmed throughout the state generated \$77 million, which is a 200 percent increase in just one year, and created nearly 15,000 jobs in 2004. Several major motion pictures were filmed throughout the state including *The Weather Man* (Paramount), *Ice Harvest* (Universal), *Oceans 12* and the latest *Batman* film (Warner Brothers), *Derailed* (Miramax) and *Roll Bounce* (20th Century Fox), as well as several other independent film and television projects.

"We have all of the locations, local talent and expertise that any major Hollywood studio or independent producer needs to turn a great script into something magical on the big or little screen. Thanks to the legislation that we passed a year ago and was recently renewed, we are bringing even more important projects to Illinois that are providing a tremendous boost for the state's economy. I am confident that 2005 will be an even greater year as more and more productions are filmed throughout our great state," Gov. Blagojevich said.

In August of 2003, Gov. Blagojevich signed Senate Bill 785, which created a new tax incentive designed to attract the film industry back to Illinois. The law provides a tax credit equal to 25 percent of the wages paid to Illinois residents working on television and film projects shot in Illinois. In order to qualify, productions of 30 minutes or more will have to spend at least \$100,000 on Illinois labor. Other, shorter film productions may also qualify for the incentive, which was renewed for another year last summer.

"There is no doubt that Illinois is back as one of the top locations for all kinds of movie and television projects, and the industry's economic impact is undeniable. Gov. Blagojevich and I will continue working aggressively to promote our tax incentives ensuring that even more projects will be filmed here this year, which means more revenue and more Illinois jobs. Gov. Blagojevich clearly is a champion of economic development in Illinois," State Senator Rickey Hendon (D-Chicago) said.

"During these challenging fiscal times, we must continue to take advantage of all of our assets that promote economic growth. Illinois has what it takes to compete for all kinds of movie and television productions now that we have these important economic incentives to offer. These numbers indicate that they are already paying tremendous dividends," State Senator Kirk Dillard (R-Westmont) said.

"This is a strong indication of how important the film and television industry is for the Illinois economy. By working with these studios, we attracted almost \$80 million and created nearly 15,000 jobs here in Illinois last year. I am sure this very impressive trend will continue for years to come," State Rep. Kenneth Dunkin (D-Chicago) said.

"Our state is the perfect backdrop for any kind of movie or television project, and that is great economic news for Illinois. Even with all of our assets, the assistance our incentives are providing makes Illinois even more appealing. There is no doubt we will

continue building on our tremendous success in 2004," State Rep. Angelo "Skip" Saviano (R-River Grove) said.

"Gov. Blagojevich understands how important the film production industry is for the Illinois economy and the thousands and thousands of hardworking and talented men and women who play integral roles in helping it thrive. The tax incentive legislation is a crucial tool in getting all kinds of movie and television productions to call Illinois home," Illinois Department of Commerce and Economic Opportunity Director Jack Lavin said

"With several films coming to Illinois and the first television pilot filmed here in five years, Gov. Blagojevich has helped put our state back on Hollywood's center stage where it belongs," said Illinois Film Office Managing Director Brenda Sexton. "Since this tax legislation was passed and recently renewed, we have been keeping our talented production and union people working and increasing the dollars spent across our state. The momentum that we built last year will translate into another great year for film in Illinois in 2005."

SAN ANTONIO
BUSINESS JOURNAL
THE ESSENTIAL BUSINESS TOOL

EXCLUSIVE REPORTS

From the February 4, 2005 print edition

Gov. Perry wants to pour \$30 million into Texas film industry

By Scott Bailey

Texas has had a lengthy, often lucrative, affair with the film industry that dates back to the horse and buggy days.

But the Lone Star State is starting to lose some of its celluloid luster, so Gov. Rick Perry is looking to take some \$30 million out of the state budget and use it to help Texas regain a more prominent role in this high-profile industry.

What has prompted the move by Perry? A 25 percent drop in the number of inquiries to the Texas Film Commission office in the last year, say state officials.

It's a big concern for a state that, in 2003, benefited from nearly a quarter of a billion dollars in revenue generated by everything from feature films and IMAX movies to television pilots and small-screen miniseries. And it may be an even bigger concern for San Antonio, which has seen its share of film revenues decline substantially in recent years.

Where has all the action gone? To a number of other states -- including some that border Texas.

Robert Black, a spokesman for the governor's office, says officials have watched as too many \$100 million film projects have looked at Texas and then taken their lights, cameras and action elsewhere.

"The governor believes that Texas has lost its competitive edge as other states have stepped up and provided greater incentives," says Black. "Gov. Perry wants to change that."

Shooting blanks

Some of the business Texas has lost is now going to cities like New Orleans, says Texas Film Commission Director Tom Copeland. And there are cities like Orlando and Las Vegas -- which are better known for attracting tourists than actors -- that are now competing for these big-budget projects.

There is a snowball effect in Texas that has compounded the loss of film projects. As more of these projects go elsewhere, so do the Texas crews who must search for work. That is putting a drain on the human infrastructure support here, which could cause even more problems down the line.

In Austin, leaders are already working on ways that region can remain competitive. Their incentive: A city study released last August indicates that the film and visual media has had an economic impact of more than \$360 million annually in that community.

Some of Austin's aggressiveness has paid dividends. Last year, MovieMaker Magazine selected Austin as the top city in America in which to make movies. Says MovieMaker's James Menzies: "If it's not careful, Austin

may wake up one day to discover it's become the new Mecca of American moviemaking."

Another Texas city -- Houston -- ranked 10th on the MovieMaker list. Menzies says "it may be only a matter of time until Houston is not just complementing its Texas sister, but rivaling it."

The reviews have been less flattering for San Antonio. While film and television projects generated nearly \$230 million in revenues for Texas in 2003, San Antonio's take -- discounting TV commercial work -- was less than \$2 million.

San Antonio Convention & Visitors Bureau Executive Director Melvin Tennant has worked to put more shine back on the Alamo City's star. Last fall, he brought in a new film marketing manager, Drew Mayer-Oakes.

Mayer-Oakes has worked with both the Texas Film Commission and the Houston Film Commission. So he knows there are fish out there waiting to be caught. But he also admits that San Antonio needs to use better bait.

"We just have to go out there and get in front of the right people and tell them what we have here," he says.

Fair share

Texas' flirtation with the film industry dates back to the 1890s. But it wasn't until 1971 that the Texas Film Commission was created.

Since then, Texas has been a third coast, trailing only California, New York and Florida when it comes to the film industry's top performers. But as the money generated by the industry continues to grow, so does the number of states looking to get into the picture.

Texas is now up against more than three dozen states that are vying for a slice of the film industry pie. Black says the competition is growing increasingly fierce.

"There's a lot of work and a lot of money out there," says Black. "We want to make sure that we get our fair share."

Black says two-thirds of the \$30 million would go toward boosting incentive packages in an effort to better compete with what other states are offering to lock in these projects. The remaining one-third of the money, he says, would be used to market Texas as a true destination for film and television work.

But will the added money help San Antonio, or will it give cities like Austin and Houston a greater advantage? Black says he isn't sure what has happened in the Alamo City but the \$30 million should help everyone.

Mayer-Oakes believes San Antonio can regain a more prominent role. The city at least has history on its side.

One of the first non-Texas production companies to operate in Texas, according to the Texas State Historical Association, was Star-Film. That venture was established in the early 1900s in San Antonio and was operated by Gaston Méliès, brother of pioneer French filmmaker Georges Méliès.

There were numerous other production companies operating out of San Antonio during the era. Collectively, they released several feature films, which received national distribution.

Those days are long gone. But local officials would love to take a step back in time and grab hold of some of that fame and fortune that, for now, is escaping this picturesque city.

Study Released on Economic Impact of Film in Austin

For immediate release
August 30, 2004

Today the City of Austin released the study, "Film and Visual Media in Austin". The City commissioned this study with Texas Perspectives on March 11, 2004 to identify opportunities for the City to assist the local film industry. The report was presented at a press conference this morning by City consultant, Jon Hockenyo.

Major finding of the report include:

- Total economic impact of film and visual media of nearly \$360 million annually
- Creation of 3,500 jobs annually
- Generation of tax revenues of over \$1.3 million annually

While the report makes nine recommendations, five of those recommendations related directly to the City of Austin. Some of those recommendations include:

- A single point of contact in the City for the Film Industry.
- An improved working environment and the City serving as a coordinator of resources and information.
- Utilizing the City's website as a clearing house for film-related resources and serving as a promotional venue for locally-produced clips.

The City Manager has responded to these recommendations with an Action Plan to address each of them.

The study also includes information on initiatives taken by other regions of the country to increase film and visual activities.

According to the Texas Film Commission, 115 feature films have been shot in and around Austin since 1993 with budgets totaling \$914.4 million. Fifty percent of a film's budget is spent directly in the community where the film is made. By this account, the film industry has directed roughly \$450 million into the Austin economy since 1993. Movie Maker Magazine recently ranked Austin the "Best place in the US to live and make movies."

["Film and Visual Media in Austin"](#)
[Films and Austin](#)

Contact: Kristen Vassallo, Public Information Office, 974-2220, Pager 802-9070

March 6, 2005

Is a Cinema Studies Degree the New M.B.A.?

By ELIZABETH VAN NESS

RICK HERBST, now attending Yale Law School, may yet turn out to be the current decade's archetypal film major. Twenty-three years old, he graduated last year from the University of Notre Dame, where he studied filmmaking with no intention of becoming a filmmaker. Rather, he saw his major as a way to learn about power structures and how individuals influence each other.

"People endowed with social power and prestige are able to use film and media images to reinforce their power - we need to look to film to grant power to those who are marginalized or currently not represented," said Mr. Herbst, who envisions a future in the public policy arena. The communal nature of film, he said, has a distinct power to affect large groups, and he expects to use his cinematic skills to do exactly that.

At a time when street gangs warn informers with DVD productions about the fate of "snitches" and both terrorists and their adversaries routinely communicate in elaborately staged videos, it is not altogether surprising that film school - promoted as a shot at an entertainment industry job - is beginning to attract those who believe that cinema isn't so much a profession as the professional language of the future.

Some 600 colleges and universities in the United States offer programs in film studies or related subjects, a number that has grown steadily over the years, even while professional employment opportunities in the film business remain minuscule. According to the Bureau of Labor Statistics, there are only about 15,050 jobs for film producers or directors, which means just a few hundred openings, at best, each year.

Given the gap between aspiration and opportunity, film education has often turned out to be little more than an expensive detour on the road to doing something else. Thus, Aaron Bell, who graduated as a film major from the University of Wisconsin in 1988, struggled through years of uninspiring nonunion work managing crews on commercials, television pilots and the occasional feature before landing his noncinematic job designing advertising for Modern Luxury Media LLC, a Chicago-based magazine publisher.

"You sort of have this illusion coming out of film school that you'll work into this small circle of creatives, but you're actually more pigeonholed as a technician," said Mr. Bell, who is now 39.

For some next-generation students, however, the shot at a Hollywood job is no longer the goal. They'd rather make cinematic technique - newly democratized by digital equipment that reduces the cost of a picture to a few thousand dollars and renders the very word "film" an anachronism - the bedrock of careers as far afield as law and the military.

At the University of Southern California, whose School of Cinema-Television is the nation's oldest film school (established in 1929), fully half of the university's 16,500 undergraduate students take at least

one cinema/television class. That is possible because Elizabeth Daley, the school's dean, opened its classes to the university at large in 1998, in keeping with a new philosophy that says, in effect, filmic skills are too valuable to be confined to movie world professionals. "The greatest digital divide is between those who can read and write with media, and those who can't," Ms. Daley said. "Our core knowledge needs to belong to everybody."

In fact, even some who first enrolled in U.S.C.'s film school to take advantage of its widely acknowledged position as a prime portal to Hollywood have begun to view their cinematic skills as a new form of literacy. One such is David Hendrie, who came to U.S.C. in 1996 after a stint in the military intending to become a filmmaker, but - even after having had the producer/director Robert Zemeckis as a mentor - found himself drawn to the school's Institute for Creative Technologies, where he creates military training applications in a variety of virtual reality, gaming and filmic formats. One film he developed was privately screened for the directors John Milius and Steven Spielberg, who wanted to understand the military's vision of the future.

"That was like a film student's dream," said Mr. Hendrie, who nonetheless believes he has already outgrown anything he was likely to accomplish on the studio circuit. "I found myself increasingly demoralized by my experiences trying to pitch myself as a director for films like 'Dude, Where's My Car?' " Mr. Hendrie said. "What I'm doing here at I.C.T. speaks to the other interests I've always had, and in the end excited my passion more."

In recent weeks, members of a Baltimore street gang circulated a DVD that warned against betrayal, packaged in a cover that appeared to show three dead bodies. That and the series of gruesome execution videos that have surfaced in the Middle East are perhaps only the most extreme face of a complex sort of post-literacy in which cinematic visuals and filmic narrative have become commonplace.

Melding easily with the growing digital folk culture, some film majors have simply taken to creating art forms outside the boundaries of the established film business. In one such instance, Wes Pentz, a k a DJ Diplo - a 2003 graduate of Temple University, where film majors are encouraged to invent new career paths in museums, leisure businesses and elsewhere - broke through with his trademark Hollertronix, a style modeled on cinematic soundtracks. "I think of my songs as having a movement, like I would watch in a film, and there's a narrative feel to them," said Mr. Pentz, who said he had learned to frame music differently because of his film school experience.

In the public policy arena, meanwhile, students like Yale's Mr. Herbst hope to heighten political debate with productions far more pointed than the most political feature film. Even a picture like "Hotel Rwanda," with its unblinking look at African genocide, is "a soup kitchen approach," Mr. Herbst said: "You're offered something to eat, but there are no vitamins." Bringing film directly into politics, he expects to throw objectivity out the window and change minds - perhaps not an unrealistic aim at a time when, in a bit of what a headline in The Wall Street Journal characterized as "film noir," the Edward D. Jones & Company brokerage has entered the fray over the proposed Social Security overhaul with a highly produced video.

To some extent, such broadening vision is already helping to make economic sense of film education, which in the past was often a long path to nowhere. "Most find their way, and the skills they learn from us are applicable to other careers and pursuits," Dale Pollock, dean of the School of Filmmaking at the North Carolina School of the Arts, said of his students. "So we're not wasting their time or money."

Still more, Ms. Daley, the U.S.C. Cinema-Television dean, argues that to generalize such skills has become integral to the film school's mission. More than 60 academic courses at U.S.C. now require

students to create term papers and projects that use video, sound and Internet components - and for Ms. Daley, it's not enough. "If I had my way, our multimedia literacy honors program would be required of every student in the university," she said.

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Statement by Larry Garrett
To the Senate Assessment and Taxation Committee
March 9, 2005
Supporting House Bills 2443 and 2444

Thank you madam chair and the committee for allowing me to have a few minutes here today.

My name is Larry Garrett and I am partner in Allegro Media, a film and video production company. I am also executive producer of a new Civil War film production based on the short stories of a classic American writer, Ambrose Bierce. That film is scheduled to begin production on April 14.

In Missouri. And the reason we are producing it there is a direct result of incentives which Missouri has in place but Kansas doesn't.

Incentives that are represented in House Bills 2443 and 2444 regarding the utilization of tax credits to attract more film and television business to the state of Kansas. I am here to speak in favor of the passage of those bills.

By now you've been inundated with statistics regarding the impact of film production. But there were two which were in the news very recently that I found particularly interesting.. In 2002 the Louisiana state legislature passed a tax-break incentive for film and television production. In an article two weeks ago in the *The Daily Reveille*, a Baton Rouge, Louisiana newspaper, the film office stated that revenue from film production in the state has increased from \$20 million to \$350 million annually.

Another story out of France last week caught my eye because it addressed a different kind of benefit that comes from film production. The French government has announced that they will take steps to encourage more television. and films to be shot in their country. Why? Because they discovered that their tourism increased 65% when people were exposed to their country.

With, by my last count, 36 states currently offering incentives of one form or another to film makers the question becomes, what can Kansas offer to assure our competitiveness.

I believe there two basic principles to keep in mind as you formulate legislation to attract this industry to the state.

1. We have to be more than competitive with other states.
2. The incentives have to provide some level of upfront financing.

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To the first point, realistically, there are some things that Kansas doesn't offer. We don't have oceans or mountains. We're not as conveniently accessible as New Mexico is for Hollywood producers or as North Carolina is for East Coast producers.

Our climate offers less predictability than the Southwest. And we don't, currently, have the infrastructure to support multiple, simultaneous productions. So for the state to attract substantial film production, our incentives have to be substantially more competitive.

As to the second point, the key to actually getting a film produced is obtaining the money to do it. That's what has made New Mexico successful.

House Bills 2443 and 2444 represent a good first step at providing incentives to cover both points.

House Bill 2444, while not the strongest tax incentive available in the U.S. (Louisiana for example, offers up to a 20% tax incentive for films with budgets higher than \$8 million.) at least puts us on equal footing with, or ahead of many other states. This bill would tend to be more of an enticement to regional filmmakers working on limited budget projects who likely to be filming in Midwest venues.

What 2444 fails to address, IS covered, to a degree, in House bill 2443--- film financing. This bill offers the possibility to filmmakers of assistance in getting at least a portion of their projects financed and this is significant.

From my reading of House Bill 2443 it appears to be similar to the Film Incentive Tax Credit program available in the state of Missouri. I can tell you, from personal experience, that the Missouri model of providing salable tax credits, is incredibly helpful in getting films financed.

The film which we're producing now is budgeted at \$460,000 and the \$230,000 in credits for which we have qualified have made, without question, the difference between whether or not the film actually gets produced.

Both bills are excellent first steps and we strongly support them.

But if Kansas wants to attract serious film production to the state these are only first steps.

There was a House Bill that did not come out of committee that offers a far greater opportunity for attracting larger scale productions. House Bill 2442 provided a mechanism to directly co-finance films and that bill would have moved Kansas to the head of the pack as a production destination.

Last year I met with both House and Senate leadership on behalf of a group interested in bringing film production to the state. That group, which included Wachovia Funds and the New York-based Structured Capital Group, guaranteed to bring 5 films a year to the state with a total production value of a minimum of \$25 million, if the right incentives were in place. Some, but not all, of those incentives are covered in the two bills you are discussing today.

It now appears that those films and a proposed \$150 million film production facility, may now be going to New Mexico. Had these current house bills, along with 2442, been passed by the end of last term, we would be producing films here in Kansas right now, and talking not just about attracting business, but looking for the best ways of expanding the industry.

We're hopeful that 2443 and 2444 will get us a step closer to bringing that kind of business to Kansas and we urge passage of both bills.

Thank you.

KANSAS

DEPARTMENT OF COMMERCE
HOWARD R. FRICKE, SECRETARY

KATHLEEN SEBELIUS, GOVERNOR

Testimony to the Senate Committee on Assessment & Taxation
Scott Allegrucci, Director of Travel & Tourism
March 9, 2005

House Bills 2443 and 2444

Chairperson Allen and members of the committee, the Department of Commerce appreciates the opportunity to testify on HB 2443 and 2444. You might be aware that Commerce has three full-time employees assigned to support the Kansas Film Commission to help attract film projects within our state. This equates to over \$200,000 per year in annual support. These bills each constitute a major new commitment by the State to grow the film industry in Kansas.

Commerce engaged the services of Kansas, Inc. to research what other states have invested into growing their film industries and calculate the return-on-investment from those activities. This report studied programs in Texas, Colorado, and Oregon. It found each realized similar results: every \$1,000,000 invested generated 10 full-time jobs. This cost to the State of \$100,000 per job is far higher than other agency programs. For example, programs geared toward small businesses cost \$4,500 per job and those geared toward medium to large companies cost \$680 per job.

We believe there are important benefits to be derived by growing the film industry in Kansas. However, the research noted above leads the agency to conclude that rationale other than substantial job creation and meaningful economic development are needed to justify additional investments of state resources. It has been noted that other states have relied upon local arts communities and educational institutions to grow this industry (Austin, Texas is one of the most successful examples). Commerce believes the KU Film School, City of Lawrence, and Lawrence Chamber of Commerce are good partners to enlist in this effort and could help yield significant positives results.

Commerce believes no EDIF resources should be utilized to support these new initiatives. Since the fund is a fixed dollar amount by statute, any additional allocation to the film industry from the EDIF would reduce financial support to other economic development activities that historically have yielded a much higher ratio of jobs created per dollar invested, such as those that benefit rural communities and small businesses.

Commerce further believes more study is needed before action is taken on these bills. There are potential benefits to be derived from these proposals; however, there are numerous details related to how to fund projects, determine eligibility, and ensure incentives help grow jobs in Kansas that necessitate more time to allow these issues to be addressed. In addition, these new incentives would require additional staff support in order to provide adequate resources to fully realize potential benefits. Additional time to study these proposals would allow Commerce the ability to work with proponents to better target the incentives in order to increase the job creation and economic benefits to the State.

The agency looks forward to assisting the Legislature and other interested parties as these new strategies are considered and appreciates the opportunity to share its views on these three proposals.

I wish to thank the committee for its time and would now stand for questions.

From: "Hoite Caston" <hoite@radiokind.com>
To: <allen@senate.state.ks.us>
Date: Mon, Mar 7, 2005 8:49 AM
Subject: Fw: Senate Bills 2443 and 2444

The Honorable Barbara Allen
Chairwoman
Senate Committee on Assessment and Taxation
Kansas Senate

Dear Senator Allen,

I have been a member of the Kansas Film Commission on three different occasions. I was an out-of-state representative while I lived in Los Angeles, working in the film and television industry for over 20 years. I am serving my second tour of duty since my return to my home state in 1995. I am also a practicing writer, producer and director with my own production company in Independence and serve on the University of Kansas Theatre and Film Professional Advisory Board.

Never before has the work of the Kansas Film Commission been more crucial to the potential economic growth of Kansas. The volunteer members of the film commission, along with many other organizations and film industry professionals, have worked hard to put together an outstanding package of incentives and plans, as represented in House Bills 2443 and 2444, designed to put Kansas at the head of the class in its ability to attract lucrative film and television production business.

I urge you and your colleagues to give the Bills your full support, for their passage will not only bring more business into the state but will also benefit our home grown production business. In addition, their passage will enhance the fast growing Film Department at K.U., which the 2005 "Fiske Guide to Colleges," in choosing the "Major Universities Strong in Film/Television," lists the University of Kansas as one of only eighteen colleges in the country so designated. The bills' passage will help offer the K.U. students and faculty the ability to work firsthand with the growing local production crews and visiting professionals on major film and television projects. It will be a win, win, win situation for the Kansas economy, local production companies and crews, and for our students, the future filmmakers, who might now have an opportunity to stay in their home state to practice their art and craft, instead of having to migrate to either coast to pursue their dreams.

Thank you for your time and consideration of my request.

Very respectfully,

Hoite C. Caston

P.S. I have taken the liberty of attaching my resume, recently put together for my application for the Simons Distinguished Citizen Fellowship, offered by the Hall Center for the Humanities at K.U., to confirm my professional experiences and to illustrate my commitment to Kansas.

CC: <schmidt@senate.state.ks.us>

Assessment & Taxation
Date 03-09-05
Attachment # 3

THE SIMONS DISTINGUISHED CITIZEN FELLOWSHIP

RESUME

HOITE C. CASTON

Writer, Producer, Director (DGA), Videographer, Editor, Broadcast Consultant
Radio, Television & Film

1. EDUCATION:

October 1983 – July 1995:

Directors Guild of America - Various Directing Seminars
UCLA Extension Course - Multiple Camera Direction
American Film Institute – Various Writing and Directing Seminars
John Truby – Seminar in Screenplay Comedy Structure
Robert McKee – Seminar in Screenplay Story Structure
Paul Gray, The Gray Film Atelier Ltd. – Seminar in Comedy Directing
Danny Simon – Seminar in Advanced Comedy Writing
Lew Morheim – Seminar in Screenplay Writing

January 1976 – September 1983:

Syd Field – Seminar in Screenplay Writing
Paul Gray, The Gray Film Atelier Ltd. – Seminar in Film Directing
Danny Simon – Seminar in Comedy Writing
Joan Darling – Seminar in Directing and Acting

September 1970 – November 1971:

American Film Institute Directing Intern with Mike Nichols - acclaimed stage
and

film director. Observed and assisted Mr. Nichols on his film Carnal Knowledge through its production and postproduction. After the film, I observed Mr. Nichols direct the Neil Simon play Prisoner of Second Avenue, studying his stage techniques during rehearsals, out of town tryouts and its opening on Broadway.

September 1966 – October 1966:

U.S. Defense Information School – Preparatory Course for Public Affairs Officer

June 1966 – August 1966:

U.S. Naval Officers Candidate School – Preparatory Training for Naval Officers

September 1964 – May 1965:

University of Kansas - Post Graduate work in Television & Film Production

September 1959 – May 1963:

University of Kansas - B.A. in Radio-Television & Film

2. EMPLOYMENT:

December 2003 – October 2004:

Kurtis Productions: The History Channel's *Investigating History* program –
Freelance **Writer, Producer, and Director** of *The Dalton Gang Raid* episode.

Kurtis Productions: The History Channel's *Investigating History* program –
Freelance **Writer, Producer, and Director** of *D-Day: The Secret Massacre*
episode.

May 2003 – Present

Booth Theatre Foundation: **Executive Director** – rebuilding this 1927 historic
Independence, KS landmark and potential downtown economic generator.

September 2002 – May 2003:

Independence Community College: **Adjunct Instructor**

I replaced an unexpectedly departed instructor in the Stage Craft course during the
first semester. Second semester, I taught the Radio Production class, concentrating
on audio editing skills in the ICC lab and broadcast operations at KIND radio studios.

November 2001 – Present:

Kurtis Media – Radio Stations KIND 1010 AM and HIT 102.9 KIND FM:
Broadcast Consultant for Programming, Production and Sales since start-up
of both stations. **Conceived** the design of the new logos; **selected** the music
formats; **wrote** initial promotional material; **create** advertising and marketing
copy, **voice** commercials, **produce** and **edit** spots, **host** remote broadcasts and
invent sales campaigns. **HIT 102.9** has been rated **#1** since going on the air.

August 1998 – May 1999:

University of Kansas Theatre and Film Department: **Visiting Instructor**

During the department's national search to fill a sudden vacancy, I was selected to be
the first long term guest artist to teach in the film program. I taught two classes
in film and video production. Bringing an outside prospective to the department, I
also initiated, or planted the seeds for, changes that have now become a part of the
film program's everyday practice.

September 1996 – Present:

Hoite Caston Productions: **Writer – Producer – Director – Videographer – Editor.**

- 2003 – **Kansas Association of Broadcasters Hall of Fame Inductees Videos** - biographies
- 2003 – **Kansas Amber Alert Video Public Edit & Radio & TV PSA's Edit** – for KAB
- 2002 – **CLASS Foundation Fund Raising Video** – for training people with disabilities
- 2002 – **William Inge Festival Tribute Video** – honoring actress Eileen Heckart
- 2001 – **Kansas Bar Association Video** – on the practice of law in Kansas

2000 – **First National Bank TV Commercials** – continuing local series of popular :30 spots
 2000 – **Great Plains Chautauqua TV Commercials** – won **TIAK 2000 Marketing Award**
 1999 – **Independence Community Quality of Life Video** – hosted by Bill Kurtis
 1998 – **Upward Bound Documentary Video** – promoting Independence Community College
 1998 – **Urantia Foundation Translation Video** – fundraiser for this Chicago nonprofit group
 1997 – **Automotive Controls Corp. Corporate Image Video** – now called Standard Motors
 1997 – **Montgomery County Economic Development Video** – rated “**Excellent**” by AEDC
 1997 – **Funk Manufacturing Industrial Corporate Image Video** – a division of John Deere
 1997 – **Cablevision Promotional Spots** – Winner of three **MIDI Awards** for best promos
 1996 – **Mercy Hospital Fund Raising Video** – Winner of **Emerald Award** for Best Video
 1996 – **DEBATE WATCH '96** – National Commercial for Presidential Debates

May 1987 – August 1995

Freelance: Writer – Director – Producer

1995 – ***The Manners Monster* Children’s Home Video** – Producer, Co-Writer and Director
 Winner of the Film Advisory Board’s **Award of Excellence** and
Entertainment Weekly’s **Instructional Video Pick of the Week**
 1994 – ***One Step Ahead* TV Pilot** – by and for people with disabilities - Writer and Director
 1991 – ***Earth to Kids* HBO Children’s Special** – Director
 Nominated for national **Emmy** and won an **ACE Award** as **Best Children’s**

Special

1990 – ***Comedy in the Oval Office* Fred Travalena Comedy Special** – Director
ACE Award Finalist for **Best Comedy Special**
 1989 – ***The Great Debate of '88* Fred Travalena Comedy Special** – Director

April 1985 – October 1985

Trinity Productions – Feature Film ***The Dirt Bike Kid*: Director**
 Nominated for the 1986 “**Youth in Film Awards**” as one of the top six
Exceptional Feature Films - Family Entertainment – Comedy/Fantasy

October 1983 – May 1987

HBO’S *Not Necessarily the News*: Director

Directed all location segments / Co-Directed studio segments

1988 – **ACE Award** for **Best Actress in a Comedy Series**
 1987 – **ACE Award** for **Best Actress in a Comedy Series**
 1986 – **ACE Award** for **Best Director - Comedy Series**
 1986 – **ACE Award** for **Best Actor and Best Actress in a Comedy Series**
 1985 – **ACE Award** for **Best Actor and Best Actress in a Comedy Series**
 1984 – **ACE Award** for **Best Comedy Series**
 1983 – **ACE Award** for **Best Comedy Series**

January 1976 – September 1983

FREELANCE: Writer – Director – Producer – Editor

Created over **500 TV commercials**, specializing in broadcast news promotions for major stations across the country, as well a **corporate videos** and **TV programs**. Here is a brief highlight:

- 1983 – **Golden Camera Award - New York International Film & TV Festival** – Director
Ore-Ida Corporate Film Series
- 1982 – **National CLIO Award Finalist Commercial** – Writer / Director
Television news promotion for Westinghouse Broadcasting
- 1981 – **Best Large Market Promo** – Writer / Director
Prototype for Broadcast Promotion Association winner
- 1980 – **National CLIO Award Finalist Commercial** – Writer / Director
Television news promotion for Westinghouse Broadcasting
- 1979 – **The World of People Pilot Program** – Producer / Writer / Director
30-minute pilot for this nationally syndicated reality program
- 1978 – **First Place for Creative Excellence** – **U.S. TV Commercial Festival**
Writer / Director / Editor of this Detroit television news promo

January 1972 – December 1975

Jerry Smith Studio: Staff Writer – Director – Editor

Created over **100 TV commercials and news promotions** for this independent production company in Milwaukee, Wisconsin, many of which won **EMMY** and **Advertising Awards** around the country.

September 1970 – November 1971

Director Mike Nichols: Production Assistant & Directing Apprentice

I started as an **American Film Institute Directing Intern** with this acclaimed stage and film director on his film **Carnal Knowledge**. When that grant expired, I was hired as a Production Assistant on the film for the duration of its production and postproduction. After the film, I assisted Mr. Nichols during his staging of the **Neil Simon** play **Prisoner of Second Avenue**, from the rehearsals, through out of town tryouts to its opening on Broadway

June 1966 – December 1969

U.S. Naval Base Los Angeles: Public Affairs Officer

Prepared press releases, coordinated community relations, arraigned press coverage of **Project Sea Lab** and wrote speeches for the Base Commanding Officer. I was honorably discharged in 1979 with the rank of Lieutenant, USNR.

USS Ticonderoga: Public Affairs Officer

After Naval Officer Candidate School, media training at the U.S. Defense Information School and a brief tour of duty at the **Pentagon**, I served a year and a half aboard the attack aircraft carrier USS Ticonderoga, including two tours of duty off of **Vietnam**. I

supervised a staff of seven in the preparation of a monthly magazine, a daily newspaper, news releases and the operation of a closed circuit television and radio station.

June 1965 – May 1966

Centron Films: Staff Director – Writer – Editor

I directed and edited two films and wrote two additional scripts for this noted industrial and educational film production company in Lawrence, Kansas.

PRODUCTION TAPES AND DEMO REELS ARE AVAILABLE UPON REQUEST

3. AWARDS AND ACCOMPLISHMENTS

Throughout my career, I have specialized in creating material that communicates with a “human touch”, working with children, off-the-street “real people” and some of Hollywood’s best known performers, including Clint Eastwood, Michael Richards and Mary Hart. Be it writing, producing, directing, shooting or editing, the work at hand gets the benefits of all my experience. Numerous professional awards have acknowledged the success of those efforts.

For cost concerns, I have not entered any of my productions for industry awards since 2000. Because I feel I have done some of my best work since that time, I’d like to think those productions would also have garnered their share of accolades. In the meantime, I have focused on honing my skills and contributing my talents to achieving the goals of the city and state organizations for which it is my privilege to have been selected to serve:

- 2005 – Kansas Film Commission Board of Directors – (First of three terms began in 1985)
- 2005 – Directors Guild of America – (Member since 1983)
- 2005 – Professional Advisory Board – University of Kansas Theatre and Film Dept. (1985)
- 2005 – William Inge Theatre Festival Steering Committee – (Member since 1988)
- 2005 – Kansas State Historical Society Board of Directors (Member since 2004)
- 2003 – Chairman – Independence Main Street (Board Member since 1996)
- 2000 – Leadership Independence – Selected by Independence Chamber of Commerce
- 2000 – Travel Industry Assoc. of Kansas “TIAK Marketing Award” for TV Advertising
- 1999 – Alumni Honor Citation – University of Kansas Theatre and Film Department
- 1997 – Midwest Cable Association MIDI Awards – 2 First Places for TV Promos
- 1997 – American Economic Development Council “Excellent” Rating – MCAC Video
- 1995 – Kansas Hospital Association “Emerald Award” – Mercy Hospital Video
- 1995 – Film Advisory Board’s “Award of Excellence” – *Manners Monster* Home Video
- 1991 – ACE Award – Best Children’s Special – *Earth to Kids* – Directed for HBO
- 1990 – ACE Award Finalist – Best Comedy Special – Directed for CBN
- 1990 – Invented and Patented “FLIPP TIPPS” – “A Coach in the Palm of Your Hand”
- 1989 – International Monitor Awards Finalist – Best Director – Comedy Special – HBO
- 1988 – William Inge Theatre Festival Award for Career Achievement in Directing
- 1988 – International Monitor Awards Finalist – Best Director – Comedy Series – HBO
- 1987 – International Monitor Awards – Best Director – Comedy Special – HBO
- 1987 – ACE Award Finalist – Best Director – Entertainment Special – HBO
- 1986 – ACE Award – Best Director – Comedy Series – *Not Necessarily the News* HBO
- 1985 – Youth in Film Awards Top 6 Exceptional Family Films – *The Dirt Bike Kid*
- 1983 – Golden Camera Award – New York International Film Festival for Ore-Ida films
- 1982 – National Clio Award Festival Finalist – for TV commercial production
- 1981 – “Best Large Market TV Promo” – Broadcast Promotion Association
- 1980 – National Clio Award Festival Finalist – for TV commercial production
- 1978 – “First Place for Creative Excellence” – U.S. TV Commercial Festival
- 1970 – American Film Institute Directing Intern – Mike Nichols’ *Carnal Knowledge*
- 1965 – Honor Graduate – U.S. Defense Information School
- 1965 – Honor Roll Graduate – Navy Officer Candidate School
- 1965 – Rock Chalk Revue Producer – University of Kansas – added innovations used today

- 1965 – **Film Production Award** – University of Kansas – for writing, directing and editing
1962 – **Rock Chalk Revue Master of Ceremonies** – University of Kansas
1962 – **KAB Outstanding Junior Class Radio, TV & Film Student** – University of Kansas

4. COMMUNITY SERVICE

- 2004 – Present **Kansas Film Commission Board of Directors** –Appointed by Gov. Sebelilus to a third term to help promote film and video production in the state.
- 2004 **25 Days of Christmas Art Celebration & Main Street Fundraiser** – I created this exhibition of 25 local artists in downtown Independence windows.
- 2003 – Present **Kansas State Historical Society Board of Directors** – nominated by State Sen. Derek Schmidt to help promote historic tourism sites and exhibits
- 2003 – Present **Kansas Historic Theatre Association Board** – representing the Booth Theatre at monthly meetings to share knowledge on preserving Kansas’ historic theatres.
- 2003 – Present **Booth Theatre Foundation – Executive Director** – preserving this 1927 historic Independence landmark and potential downtown economic generator.
- 2003 – Present **William Inge Theatre Festival Steering Committee** – help put on annual tribute to American playwrights that draws many distinguished visitors to Independence.
- 2003 – 2004 **Independence Main Street – Chairman** – promote economic development and preservation of historic downtown, creating many pro bono radio spots
- 2002 **Candidate for Independence City Commission** – finished in 3rd place for 2 spots on the commission.
- 2001 – Present **Independence Memorial Hall Renovation Task Force** – appointed by city mayor for \$3 million updating. I brought in Historic Investment Tax Credits.
- 2001 – 2003 **Independence Chamber Kansas Sampler Promotions Committee** – created radio & TV spots to promote this two year event in Independence.
- 2001 – 2002 **Independence Chamber of Commerce Tourism Committee** – promoted tourism for city and area attractions
- 2001 – 2002 **USD 446 Facilities Assessment Committee** – evaluate Independence school buildings to determine specific needs for renovation and new construction
- 2001 **Independence Quality of Life Campaign Task Force** – created radio & TV spots to help pass tax for new library, new pool and Memorial Hall renovation.
- 2000 – Present **Montgomery County Action Council Board of Directors** – work to promote economic development in the county
- 2000 **Leadership Independence** – selected by Chamber of Commerce for training to assume leadership positions in the community.
- 1999 – 2002 **Kansas Film Commission Board of Directors** –appointed by Gov. Graves to help promote film and video production in the state.
- 1999 – 2001 **Neewollah Queens Talent Show Master of Ceremonies** – hosted this part of “Kansas’ Largest Annual Celebration” – name is “Halloween” spelled backwards
- 1999 – 2000 **Independence Downtown Streetscape Design Task Force** – appointed by city mayor to help plan new sidewalks, street crossings, trees and lighting.
- 1996 – Present **Independence Main Street – Board of Directors** – work for economic development and preservation of historic downtown business district
- 1995 – 1996 **USD 446 Community Facilities Committee** – studied city population trends and school buildings to determine need for renovation and/or new construction.
- 1989 – 1996 **William Inge Theatre Festival National Advisory Board** – helped guide annual tribute to American playwrights that draws distinguished attendees to community.
- 1985 – 1995 **Kansas Film Commission Board of Directors** – appointed by Gov. Hayden as

1985 – Present out-of-state member from California to help promote film and video production.
University of Kansas Theatre & Film Dept. Professional Advisory Board –
I served as President during the successful campaign to acquire Oldfather Hall.

From: <MRobe100@aol.com>
To: <allen@senate.state.ks.us>
Date: Mon, Mar 7, 2005 8:49 AM
Subject: HB2443 and 2444 - Film Incentives

Senator Barbara Allen
Chairwoman, Committee on Assessment and Taxation
Kansas Senate
Statehouse
Topeka, Kansas 66612

HEADING FOR TESTIMONY:

Testimony on HB 2443 and 2444 before the
Senate Committee on Assessment and Taxation
by
Mike Robe

March 4, 2005

Chairwoman Allen and Members of the Committee;

I am Mike Robe. Though raised in Arkansas City, Kansas, I have resided in Los Angeles, California, for the past thirty years. I am a film director-writer; and have been a member of both the Directors Guild of America and the Writers Guild of America for over two decades. I am an Emmy-nominated Producer as well.

Over the years I have advised a succession of Kansas Film Commissioners on the significant potential economic benefit of film production in the state; and while the harvest has been cyclical, there have been periods of wonderful reward. In 1987, I was able to steer to Kansas (as the writer and director of the film) the production of "Murder Ordained," a CBS miniseries about Emporia figure Tom Bird. At the time, I estimate that we "left behind" in Kansas over 4 million dollars in production cash, paid into the regional economy. If you apply the "trickle-down" effect of those dollars as recognized by most observers of film financing, the real benefit to central Kansas at that time was something like 20-40 million dollars. We came into the region; heavily utilized local services and labor; consumed virtually no natural resources; polluted nothing; and left the area much richer for the experience. Is that economic development? You bet it is.

In 1992, my own company, Jayhawk Productions, Inc., produced in the Johnson/Wyandotte County area the ABC miniseries, "Scott Turow's 'The Burden of Proof.'" Same result. Millions of dollars in economic benefit for the area with hardly a flicker of downside for those who serviced the production.

In recent years it has been a more fallow period for states throughout the country who wanted to attract film production; primarily due to the growth of the global economy. Canada has made strong inroads in attracting film both by creating financial incentives and by benefiting from a favorable rate of exchange. Other countries have gained footholds; Australia, New Zealand and South Africa, for example.

But the world keeps spinning; and suddenly, without question, there is a strong resurgence of interest in the U.S. production community to return to locales in the United States. There are states out there, right now and for the last two years, suddenly enjoying a wealth of production activity and reaping the rewards. They have gained this benefit with good old American ingenuity in the form of competitive incentives that have attacked and conquered many other

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Attachment # 9

competing governments in the world.

In particular, New Mexico and Louisiana have jumped to the fore. New Mexico's program combines a tax rebate on production expenditures and the subsidizing of wages for local crewmembers with the availability of no-interest loans of up to \$7.5 million to qualifying productions.

Louisiana's incentive package consists of an investor tax credit, a labor tax credit and a sales and use tax exclusion. When these credits are earned by an out of state film company, they are redistributed through an "allocation structure" - usually a limited liability company in which Louisiana taxpayers invest in return for the credits.

Kansas should look hard at these highly successful states, recognize that it's a new world order, that suddenly one of the single smartest things a state can do - especially a right-to-work state with a sterling history of servicing film productions - is structure a plan that offers strong competitive incentives fit for the region, and act!

Halfway commitments won't do. There is no hope to significantly compete in this arena without bold action. Other states have awakened and begun to stir: New Jersey, Missouri and Texas to name three. But Kansas has the experience and leadership to leap forward and seize this extraordinary opportunity. We have bright people who have tailored a plan that is right for Kansas, and right, now. An intelligent incentive plan in Kansas can and will lure bountiful outside production dollars, and perhaps more importantly, create an indigenous film industry within the state itself. Both goals are realistic, compatible and entirely attainable.

All it takes - all filmmaking ever takes - is vision.

I urge the Committee to recommend 2443 and 2444 favorably for passage, and thank you for this opportunity to present testimony.

Sincerely,

Mike Robe
President, Mike Robe Productions, Inc.
President, Jayhawk Productions, Inc.
12711 Ventura Boulevard
Studio City, California 91604
818-980-9838

From: "Clark Balderson" <clark@balderson.com>
To: <allen@senate.state.ks.us>
Date: 3/6/2005 2:23:56 AM
Subject: Film incentives

Dear Senator Allen:

I write you from Portugal where we are in attendance at the Oporto International Film Festival with our film Firecracker. This festival is considered one of the top 25 festivals in the world, and we were very honored to be nominated for Best Picture. We did not win that award, but our star, Karen Black, was selected as Best Actress. Ironically, CSA, the film by Kevin Willmott of Lawrence, was nominated for best film in a different category. So here we are, far from Kansas, with 2 Kansas produced films receiving significant recognition.

I understand that there is a hearing on Wednesday. We get home on Tuesday, so if possible I will attend the hearing, but in case I do not, I am writing to encourage you and your committee to act favorably on the pending legislation.

There is probably not a silver bullet that will instantly attract film production to Kansas in such magnitude that our wages rise, unemployment falls and everyone is happy. But there are so many small things that can be done to begin the process of encouraging film production in our state. The legislation you are considering is one of those things.

Among the many difficult tasks facing film production is the issue of raising the funds to make the film. Tax incentives, among other elements, will assist in that process.

I am not in a position to provide you with detailed analysis of the benefits of film production. As a producer, someone who has produced 3 films now, all in Kansas, I can tell you that our productions brought economic benefit to the areas where we made the films. I'm sure that there are economists who could accurately calculate what those benefits were and are.

It would also be interesting to approach public relations experts and determine the value of the publicity gained by the films that are made in Kansas. In just the case of Firecracker, we know that our website has had over 27 million hits. We can track these and they are from around the world. The film had a sneak preview in London in October. Kansas was on display then. Again this past week, Kansas was front and center in Portugal. I know that the same sort of attention has been garnered by CSA and Kevin Willmott. This sort of attention is very expensive to buy and the notoriety gained is a positive reflection on the state and the people of Kansas.

Thank you for considering the legislation, for being supportive of our very small but highly active film community. Those of us involved in it believe that there is a future for film production in the state, and anything that the state can do to support our efforts, especially those of production companies that are headquartered in the state, will be appreciated and valued.

Regards,
Clark Balderson and Steve Balderson
Dikenga Films
Wamego, KS
www.dikenga.com/films/firecracker

Assessment & Taxation
Date 03-09-05
Attachment # 10

March 7, 2005

To: Sen. Barbara Allen, Chairperson, and Members of the Senate
Economic Development Committee

From: **Ronald Parker**

Re: Testimony on HB 2443 and 2444

Dear Senator Allen and Committee Members:

My name is Ronald Parker. I attended the January 27 meeting of the House Economic Development Committee, at which time I was asked to share some of my thoughts about the possibilities and practicalities of Kansas becoming a viable and ongoing site for film and television production.

I cited specific knowledge I had acquired about incentives offered by the State of New Mexico that have proven to be mutually beneficial to that state and to the entertainment industry. And I spoke about my own desire to see this situation recreated in Kansas – a desire stemming from nothing more or less than my abiding love for the state in which I was born, raised and educated. I am a native of Hutchinson and a graduate of KU - and no two facts of my life could mean more to me than that.

Since graduating in 1972, I have lived in Los Angeles. I have had, and continue to have, a successful career as a producer and writer of movies and miniseries. My projects have filmed all over the world – sometimes because it was appropriate creatively... and more often because it was appropriate financially. I have never had the pleasure of making a film in Kansas, even though I have written and produced stories that took place there. Economic realities caused other locations to pretend to be Kansas – which did my heart no good and did the state of Kansas no good either.

I have read HB 2443 and 2444 - and I can say, from my heart and from my more hard-headed professional evaluation - these are excellent bills; smart, thoughtful, wise and prudent. I cannot fault them and do not want to. They reflect a careful cherry-picking of the most meaningful aspects (for the state) of other states' incentives for film and television productions.

But there is one thing I wish to underscore: the potential for job-creation. It is one of the most meaningful and substantial benefits of following an incentive plan such as the one adopted by the state of New Mexico.

When I graduated from KU with a degree in film, staying in Kansas was not even an option. There was no conceivable future there for someone with my dreams and ambitions. And not one single faculty member suggested otherwise. But if the State of Kansas were to engage in a training and mentoring program along the lines of New Mexico's, there would be every reason in the world for talented film professionals to stay

Assessment & Taxation
Date 03-09-05
Attachment # 11

in Kansas – working as an ongoing and reliable pool of professional crew members for major film and television productions, while simultaneously creating and developing an indigenous Kansas film industry.

I encourage you – urge you – to support HB 2443 and HB 2444 for passage by the Senate.

Respectfully yours,

Ronald Parker
7995 Woodrow Wilson Drive
Los Angeles, CA 90046
(323) 650-1610

YAHOO! MAIL

Print - Close Window

From: Rkp650@aol.com
Date: Tue, 8 Mar 2005 16:15:49 EST
Subject: from Ron Parker
To: flybarbara1@yahoo.com

Hi, Barbara. I sent my testimony to Senator Allen yesterday after receiving your go-ahead.

Now, in answer to your questions:

The Lifetime movie I'm producing (and for which I wrote the story) is set entirely in Kansas. It's about a 15-year-old girl who runs away from her abusive father in their small northwest Kansas town and goes to stay with a friend in Kansas City, which doesn't work out, taking her on a journey from upscale Overland Park to life on inner-city streets. She ends up riding the rails with another runaway to join a teenage commune (based on an actual group called the Travelers) in Lawrence. (About half the movie takes place in Lawrence). When things go tragically awry there, she ends up back on the streets in Kansas City, then into the care of Social Services and then ultimately home, where she and her mother find the emotional courage to report her abusive father to the authorities.

It's a story, on the one hand, about the dark secrets of family life - and, on the other hand, about the kindness of strangers and the existence of official help for troubled youths who, unfortunately, are pre-disposed to distrust authority figures.

The story could take place in any part of the country - but I set it in Kansas. I sent the gifted young screenwriter-director to Kansas City and Lawrence and rural Kansas to get a sense of the place and people - and, through a friend of mine who's a guidance counselor at Shawnee Mission North, I arranged for her to meet prototypes for everyone she would be writing about - and, as I'd hoped, she made full use of everything she learned and every detail she observed.

Artistically, it would be wonderful to shoot the movie in the locations that are so beautifully utilized in the script. Yes, we could shoot it elsewhere and pretend that we're in Kansas - and there are areas around Toronto that look like Kansas (although Canadian actors are not as convincingly American as their scenery is). But nothing could be better than using the real settings and real people as background. And with the U.S. dollar's current weakness against the Canadian dollar, there's no longer a huge financial incentive to film there.

Practically, it could be mutually beneficial to the production and to Kansas residents and businesses to film the movie in the real locations, if the incentives are in place by the time we go into production (which could easily be the case). KU film students could definitely be used as production assistants. KU acting students could play many of the young leading and supporting roles - and local adult actors could play many of the supporting adult roles. (There are a lot of speaking parts in the movie).

And, finally, it would make this Kansas boy very happy.

If you have any questions, call me anytime at (323) 650-1610.

All the best,

Ron

March 9, 2005
Senator Barbara Allen
Chairwoman, Committee of Assessment and Taxation
Kansas Senate

Testimony on HB 2443 and 2444 before the
Senate Committee on Assessment and Taxation
by Doug Curtis

My name is Doug Curtis. I am a Dodge City native who has had the great good fortune to work in the film industry in Los Angeles for the last 30 years. On January 27, 2005 I had the pleasure of meeting before the House Economic Development Committee to talk about growing the film industry in Kansas. I am what is known in the movie industry, as a **line producer**. And I have been producing and directing feature films for nearly 25 years. My job as line producer is almost completely focused on finding ways to produce films for the lowest possible cost given all the elements that studios give me to work with. For example: a studio may tell me that they want to spend \$50,000,000 on a film but \$25,000,000 of that will be spent on the cast, the producer and the director; **Above-the-Line** costs. And another \$5,000,000 will be spent during the **Editorial** process after the film has finished shooting. So my job is to find a way to prepare the film and then shoot the film for \$20,000,000. In this example the \$20,000,000 is going to be spent on what is known in the industry as **Below-the-Line** costs (*I have included as part of this testimony a "Top Sheet" ((a 2 page summary of the budget)) and several accounts from an actual film budget that was created for "Freddy vs. Jason" which was shot entirely in Vancouver, British Columbia*). **Below the Line** accounts include the costs of hiring such crew members as electricians, grips, construction workers, camera operators and assistants, wardrobe personnel, hair and make-up, sound recordists, boom operators, assistant directors, extras, set dressers and on and on. These costs also include the cost of constructing sets, providing all the trucks and cast trailers, purchasing all film stock and all costs that are associated with films stock and all camera equipment.

No matter what I have to work with the task is always daunting because it's never enough. That's why in recent years so many films have fled Hollywood for such low cost, alternative locations as Canada, Romania, Bulgaria, Australia, South Africa and more. But, and this is a huge one, in the last year the US dollar has virtually tanked. 2 years ago when I made "Freddy vs. Jason", the currency exchange was 63 cents Canadian for every American dollar. That meant right the off the bat I was saving 37% of my production costs just as a result of the currency exchange. On top of that Canada was, at that time, offering an effective combined provincial and federal tax credit of approximately 24% of all production costs spent within British Columbia. As of this date the currency exchange is hovering around 82 to 85 cents Canadian for every American dollar. That means, of course, that now I would only be saving approximately 15 cents on the dollar to take my film to Canada. And when I calculate the costs of bringing certain key crew members such as the cameraman, the producers, the director and many of the cast members from Los Angeles, I am effectively off-setting any savings I might have seen as recent as two years ago.

(Take a look at the budget accounts from "Freddy vs. Jason" that I chose to include in my testimony. Most of the money that was spent in accounts such as Extra Talent, Set Dressing, Set Construction, Wardrobe and Locations would be dollars spent in the state of Kansas. These are just a few of the many ways filmmakers spend money that never leaves the location where the movie was shot. And when you then take into account the trickle down effect which most states estimate to be \$6 for every \$1 dollar spent you can begin to see the impact on local economies.)

That's where states like Kansas come in. In the last two years certain states have seen the opportunity that the weak dollar has created for other locations and have successfully taken dramatic steps to lure Hollywood productions to their states. New Mexico, for instance, increased the total production dollars spent in 2002 of \$8 million dollars to \$80 million dollars in 2003, an increase of 1000% as a direct result of very aggressive incentives put into place by the state legislature and backed by Governor Bill Richardson. This year in his State of the State address Governor Richardson asked the state to commit an additional \$10 million to design, plan and build a film training institute to train New Mexicans in every facet of film production. He stated that it is his "goal to turn New Mexico into a media center capable of producing every kind of television or movie project, film, video, or digital from start to finish." And because of this positive attitude and the extraordinary success that New Mexico has had and continues to have a company known as Digital Media Group plans to build a \$50 million digital media production facility in Santa Fe. The plan includes 2 large soundstages, two insert stages, a construction mill and a food service and child care facility.

Other states such as Texas, Louisiana, Illinois, Arizona, Florida, and many more have either already instituted aggressive incentive plans or are asking their state legislators to do so. And in the states that have been farsighted enough to implement these incentives the results have been overwhelmingly successful.

Some Examples:

1. Louisiana – Production dollars spent in the state have increased from \$20 million in 2002, to \$335 million in 2004, as a result of aggressive tax breaks and tax credits that are available to Louisiana taxpayers in need of tax relief. First of all the state offers production companies a 10% employment tax credit for Louisiana hires for productions spending \$300,000 or more and 20% for those exceeding \$1 million. In addition to these incentives which are fairly common in most states vying for the film production dollars, Louisiana has come up with a way to sell *unused* tax credits that are given to film companies back to Louisiana tax payers who can then use these write offs on their year end taxes. The way it works is this: Louisiana gives production companies from out of state (mostly Hollywood), tax credits of up to 15% of production costs. Since most of these companies are California based and normally pay less taxes than the credits are worth the production company is allowed to sell the excess tax credits to Louisiana based firms to reduce their taxes or to sell to individual taxpayers, usually in increments of \$10,000 who can then use the credits to reduce their personal taxes. The result has been an explosion in movie investment in Louisiana. The revenue that this tax incentive has created is far greater than the cost of implementing the incentive. The savings are dollar for dollar and hundreds of individual tax payers have begun to take advantage of the tax break and thereby increasing the number of films shooting in the state. ***Production Services Companies have begun to operate in Louisiana as well. These companies deal directly with the producer to find ways to immediately decrease the budget of any film being shot in Louisiana by giving the producer an immediate across the board percentage break for all accounts in the budget. This means that I can take a film to one these companies and let's say my initial budget is \$20 million. They analyze my script and my budget and they arrive at a percentage of around 17% of every dollar I have budgeted. This includes the budget for the Cast, the Director, the Producers, as well as all the shooting expenditures and last but not least all of the Editing. The savings to me on a \$20 million film is almost \$4 million. On top that the biggest of these companies own much of their own equipment such as all trucks, star trailers, grip equipment, lighting equipment and office space. So in addition to the savings I am receiving with my 17% discount I also see major savings in reduced costs for all equipment and office space. These are huge costs in any film. But they are particularly important to the filmmaker who has a limited budget and is trying to find every possible way to save a dollar.***

(I have included as part of this testimony a very comprehensive press release from the “Shreveport Times” explaining how these Louisiana tax incentives work and how successful they have been in attracting filmmakers to the state *and* involving individual investors from within the state who are interested in investing in films.)

2. New Mexico – Offers a 15% film production tax credit on all direct production costs (this is much the same as described in the current HB2444) or the filmmaker can choose to take a gross receipts tax deduction. This amounts to a 6% deduction of sales tax at the point of sale on most direct production costs. New Mexico has also created a job training incentive program whereby the production company is given a 50% wage reimbursement when using qualified on-the-job trainees. This is an excellent incentive for states that are still struggling to grow their film crew base. And finally New Mexico offers up to a \$7.5 million investment/loan to film projects in New Mexico that offer a strong potential for generating returns. And, as mentioned above, they are now attempting to build a state-of-the-art production and training center in the state.

(Since my testimony before the House Subcommittee, New Mexico has introduced new legislation that would allow the 15% rebate, which now only applies to production work in the state, to cover all parts of the production process under the rebate. Another piece of legislation would increase the current \$7.5 million investment/loan fund to \$15 million.)

3. Texas – Governor Rick Perry is asking the Texas legislature for \$30 million to be spent on new incentives to attract production business back to the state. Texas, because of the large crew base and the attractiveness of Austin to film makers has long been a favorite destination for out of state film companies. But just as Kansas has seen revenues drop over the last many years, Texas is also beginning to feel the pressure from Louisiana and New Mexico. He says he intends to use two-thirds of the \$30 million to boost incentives and one-third to market Texas as “a true destination for film and television work”. (I have included with my testimony a recent article from the “San Antonio Business Journal” about Governor Perry’s recent announcement of his intention to infuse the state film budget with an additional \$30 million.)

One of the best examples of a successful destination for filmmakers in this country is Austin, Texas. Consider:

- Total economic impact of film and visual media of nearly \$360 million annually
- Creation of 3,500 jobs annually
- Generation of tax revenues of over \$1.2 million annually
- 115 feature films have been shot in and around Austin since 1993 with budgets totaling \$914.4 million. Fifty percent of the film’s budget is spent directly in the community where the film is made. By this account, the film industry has directed roughly \$450 million into the Austin economy since 1993.

4. Illinois – In August of 2003, Governor Blagojevich signed a bill which provided a tax credit equal to 25% of the wages paid to Illinois residents working on television and film projects shot in Illinois. As a result of this incentive, film revenues in the state of Illinois soared 200% in 2004 over the previous year. Projects filmed in Illinois in 2004 generated \$77 million and created nearly 15,000 jobs. Prior to implementing this tax incentive Illinois had virtually lost it's place as one of the most popular shooting locations in the country. (I have included with my testimony a press release from the office of the Governor of Illinois about the Senate bill which created the increase in film revenue in Illinois in 2004).

So what can Kansas do to compete with these states? In a time where there is simply not enough film production dollars to go around I think the Bills being discussed today are a far reaching first step. It is imperative that Kansas look at the *big picture*. Nothing in the bills being discussed today will negatively affect the state of Kansas from an economic point of view. But the potential revenue that they will create is enormous. As the states that I have used as examples have found, there is tremendous revenue to be gained by being aggressive in the pursuit of film production from out of state.

Comments about the current bills being discussed today and other thoughts:

- HB2443 – Kansas Film Production Investment Tax Credit. This seems like a very generous proposition. I have personally talked to a number of Kansans who are very interested in the growth of the film industry in the state and many of them seem able and even eager to invest in films which choose Kansas as their destination for filming. I believe that this bill is a great first step to giving those investors an incentive to invest.

- HB2444 – Kansas Film Production Tax Credit. This is in line with what other states are offering and is a very strong incentive to filmmakers. I would urge that you give the production company the option of choosing a sales tax exemption at the point of purchase for all goods used in the making of the film. This is much cleaner from a bookkeeping point of view and does not require an audit. It is done with coupons that would be distributed by the appropriate department in the state and overseen by a liaison to each film. This incentive is certainly better for the production company because it is a budget item that can be eliminated with a keystroke and the savings would be immediately available for other items in the budget.
- *I would urge that HB2444 also offer the filmmaker a break on all lodging use taxes for stays of over 28 days.*
- *I would also do as New Mexico has done and offer a 50% wage reimbursement for all qualified trainees on films that shoot in Kansas. This is particularly important to Kansas because the film crew base is not particularly large at the moment. And the thing that will eventually make Kansas as attractive to filmmakers as Texas, New Mexico and Louisiana along with all of the incentives we are discussing, is a large and experienced base of film technicians.*
- *I think serious consideration should be given to the Louisiana plan whereby production companies would be allowed to sell back their tax credits to individual Kansas taxpayers or corporations who may be in need of additional tax breaks at years end. I know this is one that would take a lot study and consideration before implementing but it has created a huge boon to the Louisiana economy and I believe it would do the same for Kansas. If there is serious interest in pursuing this I would be more than willing to generate a model of an actual production which would clearly illustrate how the Louisiana tax incentives work for both filmmakers and the state.*

- *I believe serious consideration should be given to the loan/investment concept. This would put Kansas on similar footing with New Mexico. By offering an investment of up to \$7,500,000 in film projects that qualify under the terms provided by such a bill this would offer many filmmakers a strong incentive to consider making their films in Kansas. Finding money through other sources such as banks who lend money to qualified filmmakers is a very difficult task (for independent filmmakers in particular). This willingness to lend money for qualified films has been the cornerstone of the New Mexico plan. And as far as I know there is no other state that offers this very attractive incentive to filmmakers. As the bill would be written these loans would be fully guaranteed by pre-sales and various other means and there would be no negative effect to the state of Kansas. It would, however, immediately begin to attract filmmakers who might otherwise be looking to other states as the location for their films.*
- *I also strongly believe that a completely different bill should make at least a substantial investment in a state-of-the-art production and training facility. I think it could be and should be a matching fund kind of proposition whereby a private investor or investors are given a substantial tax break (not unlike HB2444) to invest. I would make it a condition of the bill that the facility be built, promoted and operated by Kansans who intend to be on site and also be able to reap the eventual benefits of the success that such a facility would be sure to bring. I believe that along with the other incentives that you are considering today this would make Kansas a truly viable contender in the pool of states now successfully attracting filmmakers to their area. When filmmakers come to states like Kansas they have to allow for contingencies such as bad weather. The way they deal with these possible problems is by creating what are called "cover sets". These are sets built on a soundstage and are available at anytime the filmmakers find themselves unable to shoot exterior scenes that may have been scheduled because of inclement weather conditions. And as we all know, the weather in Kansas is subject to change on a moments notice. It would also create a wonderful training center for budding filmmakers who would have the opportunity to learn their crafts by being up close and personal with professional filmmakers in action.*

- ***And finally, I think it is important that once all of these incentives are in place that the film commission or film office be given wide powers to negotiate directly with filmmakers who are interested in coming to Kansas to make their films. Obviously they would be limited by the parameters laid down within each of the bills. But they would be the voice of the state of Kansas. This will streamline the process immensely by cutting the red tape that bureaucracy inevitably creates. Filmmakers don't want to hear "let me get back to you on that". When they begin to negotiate with a state they want to believe that they are talking to a person with the ability to say yes or no to any request. Or to negotiate further if the request seems out of reach for the state.***

I am very impressed with the efforts that are being demonstrated in this discussion today. These bills are so important that I only wish I could be there in person to lobby for them. There is no better time in the recent history of location filming to take advantage of all the possibilities that these bills will create for the economy of the state of Kansas. And I strongly urge you to look carefully at the additional ideas that I have presented in my testimony. I know the film business is somewhat foreign (no pun intended) to many of you. But as a producer who has made films all over the world I can tell you that by implementing what is before you today you will put Kansas on track to becoming a major magnet for filmmakers everywhere. And the economic impact of such status will be enormous. Supporting home grown filmmakers is important. But it should not be done to the exclusion of the larger films which create the biggest economic impact in the state. Within what you are discussing today are the answers that will grow a strong local film community *and* create huge potential economic benefits to the economy of the state of Kansas. Now is the time to think big. If Kansas is willing to step into the competition with these incentives you will be rewarded with economic dividends that are, quite possibly, beyond your wildest imaginations. Thank you again for taking this next step toward creating a truly viable film community in Kansas. I sincerely hope that if you are unable to fully comprehend or agree on these bills in one day of testimony that it will not end there. These are incentives that will put Kansas in a powerful and unique place in the competition that is now being waged in every state in the country.

Every film that is made in Kansas has the potential of creating dozens or even hundreds of new jobs. These jobs are not permanent in the sense that we usually use that term because when a film is finished the local craftsmen will then go on to their next job. But by creating an environment in which films are made in Kansas we are creating a trained work force that is skilled and ready to go to work when filmmakers decide that Kansas is the place they want to make their film. This is the way it is in Hollywood and New Mexico and Louisiana and on and on. And that's the way it can and should be in Kansas.

And finally, I think I can say, without hesitation, that if Kansas is willing to go the extra mile it takes to make the state a viable film center then Kansans who now work in the industry will be the first to come back to Kansas to make films. I know I will and I have no doubt that Mike Robe and Ron Parker and so many more successful Hollywood filmmakers will join me in making Kansas the place turn to when an alternative to Hollywood is the only way to get our films made.

I will be available at any time if any of you would like further clarification of any of my comments. Please feel free to contact me via e-mail or phone if you want to discuss these issues with me.

Sincerely,

Doug Curtis
Los Angeles, California
Email address: Curtis46@aol.com
Phone: 310-880-9531

FREDDY VS JASON w/e 11/16

53 day Main Unit /25 day 2nd Unit/ 11 day Splinter Unit

LOCATION: Vancouver BC

Begin: 9/9/02 / Finish: 11/19/02

UNIONS: SAG,DGA,IA,Teamster,DGC,UBCP

W/E 11/6 Labor NOT ACTUALIZED

Revised 11/20/02

55 days Main Unit

25 days 2nd Unit

11 days Splinter Unit

All "Alerts to date included"

Acct#	Category Title	Page	Total
11-00	STORY & RIGHTS	1	\$3,409,430
12-00	PRODUCERS UNIT	3	\$1,218,742
13-00	DIRECTION	4	\$1,003,502
14-00	CAST	5	\$1,919,056
15-00	ATL TRAVEL & LIVING	9	\$427,348
19-00	ATL FRINGE	12	\$274,169
19-00	ATL FRINGE		\$318,415
	TOTAL ABOVE-THE-LINE		\$8,570,662
20-00	PRODUCTION STAFF	12	\$640,155
21-00	EXTRA TALENT	16	\$131,503
22-00	SET DESIGN	16	\$257,009
23-00	SET CONSTRUCTION	18	\$1,318,636
24-00	RIGGING	21	\$146,320
25-00	SET OPERATIONS	21	\$471,596
26-00	SPECIAL EFFECTS	24	\$754,589
27-00	SET DRESSING	26	\$471,076
28-00	PROPERTY	29	\$138,092
29-00	WARDROBE	30	\$311,721
31-00	MAKE-UP & HAIRDRESSING	31	\$646,550
32-00	ELECTRICAL	36	\$597,894
33-00	CAMERA	38	\$686,265
34-00	PRODUCTION SOUND	40	\$139,330
35-00	TRANSPORTATION	41	\$1,030,638
36-00	LOCATIONS	48	\$1,252,591
37-00	PIX VEHICLE & ANIMALS	52	\$75,280
38-00	FILM & LABORATORY	53	\$377,120
39-00	VISUAL EFFECTS	55	\$4,179,307
40-00	SECOND UNIT	57	\$1,731,325
41-00	TESTS	60	\$10,750
42-00	STAGE FACILITY	60	\$281,803
43-00	STOCK SHOTS	60	\$20,000
SAVINGS	APPLIED LABOR SAVINGS THRU 10/5	60	(\$6,500)
SAVINGS	APPLIED LABOR SAVINGS THRU 10/12	60	(\$17,600)
SAVINGS	APPLIED LABOR SAVINGS THRU 10/19	60	(\$20,000)
OVERAGES	APPLIED LABOR overage THRU 10/26	60	\$3,600
SAVINGS	APPLIED LABOR THRU 11/2	61	(\$17,000)
OVERAGE	LABOR OVERAGE 11/9 WK	61	\$15,000
44-00	BTL FRINGE		\$1,030,818
	TOTAL PRODUCTION		\$16,657,868
45-00	FILM EDITING	61	\$1,771,127
46-00	MUSIC	65	\$1,030,000
47-00	SOUND	65	\$952,840
48-00	FILM & LAB	66	\$109,944
49-00	OPTICAL EFFX	67	\$77,000

Freddy vs Jason

Acct#	Category Title	Page	Total
			\$97,500
50-00	TITLES	67	\$0
52-00	VISUAL EFFECTS	67	\$237,304
54-00	POST FRINGE		\$4,275,715
	TOTAL POST PRODUCTION		\$3,000
67-00	INSURANCE	67	\$204,500
68-00	GENERAL EXPENSE	68	\$0
70-00	INTEREST	68	\$0
71-00	COMPLETION BOND		\$0
73-00	OTHER FRINGE		\$207,500
	TOTAL OTHER		\$1,201,801
	INTEREST		\$137,231
	COMPLETION BOND: 0.46%		\$450,676
	INSURANCE		\$165,248
	FINANCE FEE: 0.56%		\$8,570,662
	TOTAL ABOVE-THE-LINE		\$21,141,083
	TOTAL BELOW-THE-LINE		\$29,711,745
	TOTAL ABOVE & BELOW-THE-LINE		\$31,668,701
	GRAND TOTAL		

FREDDY VS JASON w/e 11/16

53 day Main Unit /25 day 2nd Unit/ 11 day Splinter Unit

LOCATION: Vancouver BC

Begin: 9/9/02 / Finish: 11/19/02

UNIONS: SAG,DGA,IA,Teamster,DGC,UBCP

W/E 11/6 Labor NOT ACTUALIZED

Revised 11/20/02

55 days Main Unit

25 days 2nd Unit

11 days Splinter Unit

All "Alerts to date included"

Acct#	Description	Amount	Units	X	Rate	Subtotal	Total
21-00	EXTRA TALENT						
21-01	STAND-INS						
	Vancouver Hires	1		1	0	0	
	Scale = est \$20.00 hr / 12 hr days	1		1	0	0	
	3 standins	53	Days	C*2.5	290.0	24,976	
	O/T Allowance	10	%	1	24,976	2,498	
	11/16	(1)	Allow	1	0	0	\$27,474
21-02	UBCP EXTRAS						
	UBCP	1		1	0	0	
	Scale = est \$19.00 hr/12 hrs -	1		1	0	0	
	Daily Extra Players	223	Man Days	C	276	39,934	
	Models - photos & prosthetic shoot	20	Mandays	C	350	4,550	
	Photo Doubles	5	Mandays	C	276	897	
	OT	10	%	1	45,381	4,538	\$49,919
21-03	NON-UNION EXTRAS						
	\$10.00/hr includes agency fee	0		1	0	0	
	Extra Man Days	586	Man Days	C	145	55,231	
	Extra Man Days \$20.80	23	Man Days	C	302	4,509	
	Addl Mdays for shoot days	100	Man Days	C	145	9,425	
	OT	10	%	C	69,165	4,496	
	w/e 9/14 Savings	(1)		1	1,900	(1,900)	
	revised w/e 10/19	(1)		1	20,000	(20,000)	
	revised w/e 10/26-updated	(1)		1	14,000	(14,000)	\$37,761
							\$0
21-04	SIDELINE MUSICIANS						
21-05	SPECIAL ABILITY EXTRAS						
	SAE Extras	8	Man Days	C	370	1,923	\$1,923
21-06	WELFARE WORKERS/TEACHERS						
	Welfare worker	0	Days	C	300	0	\$0
21-07	CHOREOGRAPHER						\$0
21-08	EXTRAS COORDINATOR						\$0
21-09	ASST EXTRAS COORDINATOR						\$0
21-10	EXTRAS CASTING FEE						
	Prep	2	Weeks	C	1,500	1,950	
	Shoot	6	Weeks	C	1,500	5,850	
	Casting Expenses	1	Allow	C	8,950	5,818	\$13,618
21-15	AUTO/FITTING/MPV ALLOW	1	Allow	1	808	808	\$808
Total For 21-00							\$131,503

FREDDY VS JASON w/e 11/16

53 day Main Unit /25 day 2nd Unit/ 11 day Splinter Unit

LOCATION: Vancouver BC

Begin: 9/9/02 / Finish: 11/19/02

UNIONS: SAG,DGA,IA,Teamster,DGC,UBCP

W/E 11/6 Labor NOT ACTUALIZED

Revised 11/20/02

55 days Main Unit

25 days 2nd Unit

11 days Splinter Unit

All "Alerts to date included"

Acct#	Description	Amount	Units	X	Rate	Subtotal	Total
23-00	SET CONSTRUCTION						
23-01	CONSTRUCTION COORDINATOR						
	Vancouver Hire-Loanout	0		1	0	0	
	Prep	7.6	Weeks	C	3,000	14,820	
	Shoot	10.6	Weeks	C	3,000	20,670	
	Cdn Holiday (in fringe)	0.4	Weeks	0	3,000	0	
	Wrap	2	Weeks	C	3,000	3,900	
	SATS WORKED	1	Allow	1	1,950	1,950	\$41,340
23-02	CONSTRUCTION FOREMEN						
	Vancouver Hire-Loanout	1		1	0	0	
	Prep	7	Weeks	C	2,400	10,920	
	Shoot	10.6	Weeks	C	2,400	16,536	
	Cdn Holiday (in fringe)	0.4	Weeks	0	2,400	0	
	Wrap	2	Weeks	C	2,400	3,120	
	SATS WORKED	1	Allow	1	2,950	2,950	\$33,526
23-04	PAINT COORDINATOR						
	Scale=\$32.16	0		1	0	0	
	Prep	5	Weeks	C	2,500	8,125	
	Shoot	10.6	Weeks	C	2,500	17,225	
	Cdn Holiday (in fringe)	0.4	Weeks	0	2,500	0	
	Wrap	0.4	Weeks	C	2,500	650	\$26,000
23-05	PLASTER FORMAN						
23-06	TOOLMAN						
23-07	LEAD LABORER						
	Scale = est \$21.95	0		1	0	0	
	Prep	5	Weeks	C	1,591	5,172	
	Shoot	10.6	Weeks	C	1,591	10,965	
	Cdn Holidays (in fringe)	0.4	Weeks	0	1,591	0	
	Wrap	1	Week	C	1,591	1,034	\$17,171
23-08	CONSTRUCTION BUYER						
	Loan Out - Vancouver Hire	0		1	0	0	
	Prep	5	Weeks	C	2,200	7,150	
	Shoot	10.6	Weeks	C	2,200	15,158	
	Cdn Holidays (in fringe)	0.4	Weeks	0	2,200	0	
	Wrap	1	Week	C	2,200	1,430	\$23,738
23-12	EXPENDABLES						
	Allowance	1	Allow	1	6,000	6,000	\$6,000
23-14	CONST LABOR						
	Budget Alert 11/20 -Misc....	1	Allow	C	15,000	9,750	
	TOTAL OVRAGE	1	Allow	1	81,000	81,000	
	budget alert 11/14	1	Allow	C	9,000	5,850	
	BUDGET ALERT 10/31 - SET REBUIL...	1	Allow	C	19,200	12,480	
	BUDGET ALERT 10/22 -BLAKES EXT...	1	Allow	C	36,000	23,400	
	1. Crystal Lake Camp - 1950's (pristine)	1	Allow	C	166,400	108,160	

Freddy vs Jason

Acct#	Description	Amount	Units	X	Rate	Subtotal	Total
23-00	SET CONSTRUCTION (CONT'D)						
23-14	CONST LABOR (CONT'D)						
	2. Crystal Lake Camp - Present Day		1	Allow	C	57,363	37,286
	2A. Crystal Lake Camp - Opening Dre...		1	Allow	C	9,588	6,232
	3. Ext/Int. Voorhees House & Tree		1	Allow	C	3,250	2,113
	4. Ext. Elm Street House (location)		1	Allow	C	17,550	11,408
	5. Int. Elm Street House (Stage Set)		1	Allow	C	53,820	34,983
	6. Ext. Davis House		1	Allow	C	8,775	5,704
	7. Int. Davis House (Stage)		1	Allow	C	19,825	12,886
	8. Ext. Blake's House & Street		1	Allow	C	4,225	2,746
	9. Ext. Asylum / Katja Dream Clinic		1	Allow	C	26,325	17,111
	10. Int. Katja Dream Clinic (Riverview)		1	Allow	C	113,100	73,515
	11. Int. Rec/ Mess Hall		1	Allow	C	16,900	10,985
	12. Ext. Springwood High		1	Allow	C	2,600	1,690
	13. Int. Springwood High		1	Allow	C	28,600	18,590
	14. Ext. Library (Location)		1	Allow	C	2,600	1,690
	15. Int. Library (Location)		1	Allow	C	11,050	7,183
	16. Ext. Cornfield		1	Allow	C	39,650	25,773
	17. Ext. Silo		1	Allow	C	13,000	8,450
	18. Int. Silo & Boiler		1	Allow	C	16,250	10,563
	19. Ext. Streets, Roads & Highways		1	Allow	C	3,250	2,113
	19A. Int. Van		1	Allow	C	9,750	6,338
	20. Ext. Sheriff's Office		1	Allow	C	5,200	3,380
	21. Int. Sheriff's Office (Woodlands)		1	Allow	C	13,650	8,873
	22. Ext. Springwood Street		1	Allow	C	3,250	2,113
	23. Int. Freeburg's Basement (Riverview)		1	Allow	C	16,088	10,457
	24. Ext. Jason's Dreamworld (Swamp)		1	Allow	C	64,350	41,828
	25. Int. Boiler - Freddy's Dreamworld (...)		1	Allow	C	78,000	50,700
	26. Additional Opening Stuff		1	Allow	C	7,800	5,070
	27. Int. Jasons World (UBC Tank)		1	Allow	C	6,500	4,225
	28. Dry Lake Bed (omit)		1	Allow	C	0	0
	29. Jason's Bedroom		1	Allow	C	13,000	8,450
	w/e 11/2 budget alerts		1	Allow	C	10,000	6,500
							\$679,595
23-15	PURCHASES						
	1. Crystal Lake Camp - 1950's (pristine)		1	Allow	C	89,600	58,240
	2. Crystal Lake Camp - Present Day		1	Allow	C	30,088	19,557
	2A. Crystal Lake Camp - Opening Dre...		1	Allow	C	5,163	3,356
	3. Ext/Int. Voorhees House & Tree		1	Allow	C	1,750	1,138
	4. Ext. Elm Street House (location)		1	Allow	C	9,450	6,143
	5. Int. Elm Street House (Stage Set)		1	Allow	C	28,980	18,837
	6. Ext. Davis House		1	Allow	C	4,725	3,071
	7. Int. Davis House (Stage)		1	Allow	C	10,675	6,939
	8. Ext. Blake's House & Street		1	Allow	C	2,275	1,479
	9. Ext. Asylum / Katja Dream Clinic		1	Allow	C	14,175	9,214
	10. Int. Katja Dream Clinic (Riverview)		1	Allow	C	60,900	39,585
	11. Int. Rec/ Mess Hall		1	Allow	C	9,100	5,915
	12. Ext. Springwood High		1	Allow	C	1,400	910
	13. Int. Springwood High		1	Allow	C	15,400	10,010
	14. Ext. Library (Location)		1	Allow	C	1,400	910
	15. Int. Library (Location)		1	Allow	C	5,950	3,868
	16. Ext. Cornfield		1	Allow	C	21,350	13,878
	17. Ext. Silo		1	Allow	C	7,000	4,550
	18. Int. Silo & Boiler		1	Allow	C	8,750	5,688
	19. Ext. Streets, Roads & Highways		1	Allow	C	1,750	1,138
	19A. Int. Van		1	Allow	C	5,250	3,413

Acct#	Description	Amount	Units	X	Rate	Subtotal	Total	
23-00	SET CONSTRUCTION (CONT'D)							
23-15	PURCHASES (CONT'D)							
	20. Ext. Sheriff's Office	1	Allow	C	2,800	1,820		
	21. Int. Sheriff's Office (Woodlands)	1	Allow	C	7,350	4,778		
	22. Ext. Springwood Street	1	Allow	C	1,750	1,138		
	23. Int. Freeburg's Basement (Riverview)	1	Allow	C	8,663	5,631		
	24. Ext. Jason's Dreamworld (Swamp)	1	Allow	C	34,650	22,523		
	25. Int. Boiler - Freddy's Dreamworld (...)	1	Allow	C	42,000	27,300		
	26. Additional Opening Stuff	1	Allow	C	4,200	2,730		
	27. Int. Jason's World (UBC Tank)	1	Allow	C	3,500	2,275		
	28. Dry Lake Bed (Omit)	0		0	0	0		
	29. Jason's Bedroom	1	Allow	C	7,000	4,550	\$290,584	
23-16	EQUIPMENT RENTALS							
	Allowance	1	Allow	C	47,500	30,875		
	OVERAGE	1	Allow	1	7,700	7,700	\$38,575	
23-17	ADDITIONAL RENTALS						\$0	
23-19	SIGNAGE							
	Allowance	1	Allow	C	13,000	8,450	\$8,450	
23-20	GREENS							
	Labor-Includes Cornfeild maint...	1	Allow	C	31,200	20,280		
	Box/Kit	1	Allow	C	8,500	5,525		
	ADJ 11/22	1	Allow	1	1,200	1,200	\$27,005	
23-23	BACKINGS							
	Material	1	Allow	C	8,500	5,525		
	Labor	1	Allow	C	0	0	\$5,525	
23-26	SCAFFOLDING							
	Allowance	1	Allow	C	12,000	7,800	\$7,800	
23-48	MISSING & DAMAGE							
	Allowance	1	Allow	C	2,500	1,625	\$1,625	
23-50	SET STRIKE-LABOR							
	Allowance	80	%	C	30,500	15,860		
	allow per budget alert 11/6	1		C	0	0	\$15,860	
23-51	SET STRIKE-MATERIALS							
	Allowance	20	%	C	75,000	9,750		
	REVISED OVERAGE	1		1	20,750	20,750	\$30,500	
23-75	SHOP SET-UP							
	Allowance	1	Allow	C	10,000	6,500	\$6,500	
23-78	BOX RENTALS							
	Coordinator -	21.6	Weeks	C	1,700	23,868		
	Const. Buyer -Computer	1	Allow	C	1,000	650		
	Painter Coordinator -	16.0	Weeks	C	600	6,240		
	Medic	19.6	Weeks	C	150	1,911	\$32,669	
23-79	CAR ALLOWANCE							
	Coordinator -	21.6	Weeks	C	150	2,106		
	Cost Foreman	20.6	Weeks	C	125	1,674		
	Paint Coord	16.0	Weeks	C	150	1,560		
	Greens Truck	13.0	Weeks	C	350	2,958	\$8,298	
23-80	SAFETY							
	Safety	1	Allow	C	15,500	10,075	\$10,075	
23-81	DUMPSTERS							
	Allowance	1	Allow	C	12,000	7,800	\$7,800	
Total For 23-00							\$1,318,636	

FREDDY VS JASON w/e 11/16
53 day Main Unit /25 day 2nd Unit/ 11 day Splinter Unit

LOCATION: Vancouver BC
 Begin: 9/9/02 / Finish: 11/19/02
 UNIONS: SAG,DGA,IA,Teamster,DGC,UBCP

W/E 11/6 Labor NOT ACTUALIZED
 Revised 11/20/02

55 days Main Unit
25 days 2nd Unit
11 days Splinter Unit

All "Alerts to date included"

Acct#	Description	Amount	Units	X	Rate	Subtotal	Total
27-00	SET DRESSING						
27-01	SET DECORATOR						
	Vancouver Local Hire - Loanout	1		1	0	0	
	Scale=\$28.90hr	0		1	0	0	
	\$2095wk	1		1	0	0	
	Prep	7	Weeks	C	3,150	14,333	
	Shoot	10.6	Weeks	C	3,150	21,704	
	Cdn Holidays (in fringe)	0.4	Weeks	0	3,150	0	
	Wrap	1	Week	C	3,150	2,048	
	6th Day	0.6	Weeks	1.5°C	3,150	1,843	\$39,928
27-02	LEADPERSON/ASST SET DECORAT...						
	Vancouver Hire-Loanout	1		1	0	0	
	Scale=\$25.83	0		1	0	0	
	Prep 12hr	6	Weeks	C	2,100	8,190	
	Shoot	10.6	Weeks	C	2,100	14,469	
	Cdn Holidays (in fringe)	0.4	Weeks	0	2,100	0	
	6th Day	3	Days	C*1.5	2,100	6,143	
	Wrap	1.4	Weeks	C	2,100	1,911	
	O/T Allowance	10	%	1	30,713	3,071	\$33,784
27-03	ON SET DRESSER						
	Vancouver Hires	1		1	0	0	
	Scale = \$24.39 \$25.39	0		1	0	0	
	Prep	0.4	Weeks	C	1,396	363	
	Shoot	10.6	Weeks	C	1,841	12,683	
	Cdn Holidays (in fringe)	0.4	Weeks	0	1,016	0	
	Wrap	0.2	Weeks	C	1,396	182	
	O/T Allowance	10	%	1	13,228	1,323	
		0		0	0	0	
	Add'tnl Dresser	1		1	0	0	
	Shoot	4	Weeks	C	1,768	4,598	
	O/T Allowance	10	%	1	4,598	460	\$19,609
27-04	SWING GANG						
	Lead Dresser	0		1	0	0	
	Scale=\$24.39 25.39	1		1	0	0	
	Swing #1:	0		1	0	0	
	Prep	1	Week	C	1,841	1,197	
	Prep-12hr	3	Weeks	C	1,841	3,590	
	Shoot	10.6	Weeks	C	1,841	12,683	
	Cdn Holidays (in fringe)	0.4	Weeks	0	1,016	0	
	Wrap	1	Week	C	1,396	908	
	O/T Allowance	10	%	1	18,378	1,838	
		1		1	0	0	
	Swing #2:	0		1	0	0	
	Scale=\$23.69	1		1	0	0	

rreddy vs Jason

Acct#	Description	Amount	Units	X	Rate	Subtotal	Total
27-00	SET DRESSING (CONT'D)						
27-04	SWING GANG (CONT'D)						
	Prep	0	Weeks	C	1,303	0	
	Prep	1	Week	C	1,481	962	
	Shoot	10.6	Weeks	C	1,481	10,202	
	Cdn Holidays (in fringe)	0.4	Weeks	0	948	0	
	Wrap	1	Week	C	1,303	847	
	O/T Allowance	10	%	1	12,011	1,201	
		1		1	0	0	
	Swing #3:	0		1	0	0	
	Prep	1	Week	C	1,303	847	
	Shoot	10.6	Weeks	C	1,303	8,977	
	Cdn Holidays (in fringe)	0.4	Weeks	0	948	0	
	Wrap	1	Week	C	1,303	847	
	O/T Allowance	10	%	1	10,671	1,067	
		1		1	0	0	
	Swing #4: Loanout	0		1	0	0	
	Prep	1	Week	C	1,303	847	
	Shoot	10.6	Weeks	C	1,303	8,977	
	Cdn Holidays (in fringe)	0.4	Weeks	0	948	0	
	Wrap	1	Week	C	1,303	847	
	O/T Allowance	10	%	1	10,671	1,067	
							\$56,904
27-05	MANDAY LABOR						
	Vancouver Hires	1		1	0	0	
	\$23.69 hr / 11 hrs	122	Man Days	C	296	23,483	
	O/T Allowance	10	%	1	23,483	2,348	
	\$23.69 hr / 11 hrs	50	Man Days	C	296	9,624	
	O/T Allowance	10	%	1	9,624	962	
	Estimated savings in Add'l Labor per r...	(58)	Mdays	C	296	(11,159)	
							\$25,258
27-06	BUYER						
	Vancouver Hire-Loanout	1		1	0	0	
	Scale=\$25.13	1		1	0	0	
	Prep 12hr	7	Weeks	C	1,900	8,645	
	Shoot	10.6	Weeks	C	1,900	13,091	
	Cdn Holidays (in fringe)	0.4	Weeks	0	1,900	0	
	Wrap	0.4	Weeks	C	1,900	494	
	O/T Allowance	10	%	1	22,230	2,223	
	Buyer/ Office Coord- Vancouver Hire - ...	1		1	0	0	
	Prep	4	Weeks	C	1,950	5,070	
	Shoot	10.6	Weeks	C	1,950	13,436	
	Wrap	1	Week	C	1,950	1,268	
							\$44,227
27-10	MANUFACTURING						
27-12	EXPENDABLES						
	Vancouver	1		1	0	0	
	Expendables	1	Allow	C	8,000	5,200	
	Specialized Eqpt	1	Allow	C	2,500	1,625	
	Film Development/Research	1	Allow	C	5,000	3,250	
	Set Wireman/Elect. Supply	1	Allow	C	2,500	1,625	
	Samples/Show & Tell	1	Allow	C	2,000	1,300	
							\$13,000
27-15	PURCHASES/RENTALS						
	10/2 Overage Camping Set Dre...	1	Allow	C	500	325	
	10/19 overage -Int houses/add'l Torch ...	1	c	C	2,000	1,300	
	Crystal Lake Camp	1	Allow	C	25,850	16,803	
	Crystal Lake Exec. retreat	1	Allow	C	7,800	5,070	
	Jason House	1	Allow	C	700	455	

12-17

Freddy vs Jason

Acct#	Description	Amount	Units	X	Rate	Subtotal	Total
27-00	SET DRESSING (CONT'D)						
27-15	PURCHASES/RENTALS (CONT'D)						
	Int/Ext Elm Street House - Studio	1	Allow	C	40,450	26,293	
	Int/Ext Elm Street House - Loc	1	Allow	C	41,450	26,943	
	Ext- Mark's House-Loc	1	Allow	C	3,000	1,950	
	Int- Mark's House-Studio	1	Allow	C	11,500	7,475	
	Ext- Blakes House-Loc	1	Allow	C	1,500	975	
	Ext- Asylum/Dream Clinic-Loc	1	Allow	C	4,500	2,925	
	Int-Asylum/Dream Clinic-Loc	1	Allow	C	41,800	27,170	
	Int- Mess Hall-Studio	1	Allow	C	6,500	4,225	
	Ext-Springwood High-Loc	1	Allow	C	500	325	
	Int- " " " " -Loc	1	Allow	C	12,800	8,320	
	Ext-Springwood Library- Loc	1	Allow	C	250	163	
	Int- " " " " - Loc	1	Allow	C	1,650	1,073	
	Ext - Cornfield Rave	1	Allow	C	4,100	2,665	
	Ext - Silo	1	Allow	C	2,000	1,300	
	Int - Silo/Boiler Room	1	Allow	C	21,000	13,650	
	Int/Ext Mark's van /Road Block	1	Allow	C	5,550	3,608	
	Ext - Sheriff's Offc-Loc	1	Allow	C	1,500	975	
	Int - Sheriff's Off - Loc	1	Allow	C	18,000	11,700	
	Springwood Town Ext- Loc	1	Allow	C	1,000	650	
	Int. Basement	1	Allow	C	4,650	3,023	
	Jason Dreamworld	1	Allow	C	500	325	
	Freddy Dreamworld	1	Allow	C	22,000	14,300	
	Hell	1	Allow	C	0	0	
	Watertank	1	Allow	C	0	0	
	Freddy's Room	1	Allow	C	5,500	3,575	
	Int- Jason's Bedroom - Studio	1	Allow	C	6,500	4,225	
	Funeral (Omit)	0		0	0	0	
	Specialized Transport	1	Allow	C	2,500	1,625	
	Spec. Efx's/Stunts	1	Allow	C	10,000	6,500	
	Extended Rentals	1	Allow	C	3,000	1,950	
27-16	RENTALS						\$201,861
	Lock up	4.25	Allow	C	2,500	6,906	\$6,906
27-48	MISSING & DAMAGE						
	Allowance	1	Allow	C	5,000	3,250	\$3,250
27-78	BOX RENTALS						
	Set Decorator -	20.6	Weeks	C	150	2,009	
	Asst. Set Decorator (Computer Rental)	1	Allow	C	1,000	650	
	Lead Dresser	13.8	Weeks	C	175	1,570	
	On Set Dresser -	11.2	Weeks	C	150	1,092	\$5,321
27-79	CAR ALLOWANCE						
	Set Decorator -	20.6	Weeks	C	200	2,678	
	Ass't. Set Decorator -	22.6	Weeks	C	175	2,571	
	Set Buyer -	18.6	Weeks	C	125	1,511	
	Lead Dresser	15.6	Weeks	C	125	1,268	\$8,028
Total For 27-00							\$471,076

FREDDY VS JASON w/e 11/16
53 day Main Unit /25 day 2nd Unit/ 11 day Splinter Unit

LOCATION: Vancouver BC

Begin: 9/9/02 / Finish: 11/19/02

UNIONS: SAG,DGA,IA,Teamster,DGC,UBCP

W/E 11/6 Labor NOT ACTUALIZED

Revised 11/20/02

55 days Main Unit

25 days 2nd Unit

11 days Splinter Unit

All "Alerts to date included"

Acct#	Description	Amount	Units	X	Rate	Subtotal	Total
35-00	TRANSPORTATION						
35-01	TRANSPORTATION COORDINATOR						
	Prep	8.6	Weeks	C	3,100	17,329	
	Shoot	10.6	Weeks	C	3,100	21,359	
	Cdn Holidays (in fringe)	0.4	Weeks	0	3,100	0	
	Wrap	3	Weeks	C	3,100	6,045	\$44,733
35-02	TRANSPORTATION CAPTAIN						
	Vancouver Hire	0		1	0	0	
	Scale=\$25.49	1		1	0	0	
	Prep/Wrap=12hrs	1		1	0	0	
	Shoot=15hrs	1		1	0	0	
	Prep	6.6	Weeks	C	1,848	7,928	
	Shoot	10.6	Weeks	C	2,613	18,002	
	Cdn Holidays (in fringe)	0.4	Weeks	0	1,020	0	
	Wrap	2	Weeks	C	1,848	2,402	
	O/T Allowance	10	%	1	28,332	2,833	\$31,165
35-03	VANCOUVER DRIVERS						
	Assume we can drop certain drivers while on stage.	1		1	0	0	
	*****	1		1	0	0	
	*****	1		1	0	0	
	Prep/Wrap=12hrs	1		1	0	0	
	Shoot=15hrs	1		1	0	0	
	*****	1		1	0	0	
	Production	1		1	0	0	
	*****	1		1	0	0	
	1. Camera Truck	0		1	0	0	
	Scale = \$24.08	0		1	0	0	
	Prep	0.6	Weeks	C	1,746	681	
	Shoot	8.4	Weeks	C	2,468	13,476	
	Cdn Holidays (in fringe)	0.4	Weeks	0	963	0	
	Wrap	0.2	Weeks	C	1,746	227	
	O/T Allowance	10	%	1	14,384	1,438	
	*****	1		1	0	0	
	2. Cast 2 Banger Driver (Jason & Lori)	0		1	0	0	
	Scale = \$24.90	1		1	0	0	
	*****	0		1	0	0	
	Prep	0.2	Weeks	C	1,805	235	
	Shoot	5.8	Weeks	C	2,552	9,622	
	Cdn Holidays (in fringe)	0.4	Weeks	0	996	0	
	Wrap	0.2	Weeks	C	1,805	235	
	O/T Allowance	10	%	1	10,092	1,009	
	*****	1		1	0	0	
	3. Cast 3 Banger Driver	0		1	0	0	
	Scale = \$24.90	0		1	0	0	

Acct#	Description	Amount	Units	X	Rate	Subtotal	Total
35-00	TRANSPORTATION (CONT'D)						
35-03	VANCOUVER DRIVERS (CONT'D)						
	Prep	0.2	Weeks	C	1,805	235	
	Shoot	4	Weeks	C	2,552	6,636	
	Cdn Holidays (in fringe)	0.4	Weeks	0	996	0	
	Wrap	0.2	Weeks	C	1,805	235	
	O/T Allowance	10	%	1	7,106	711	
		1		1	0	0	
	4. Cast 3 Banger Driver	0		1	0	0	
	Scale = \$24.90	0		1	0	0	
	Prep	0.2	Weeks	C	1,805	235	
	Shoot	4	Weeks	C	2,552	6,636	
	Cdn Holidays (in fringe)	0.4	Weeks	0	996	0	
	Wrap	0.2	Weeks	C	1,805	235	
	O/T Allowance	10	%	1	7,106	711	
		1		1	0	0	
	5. Grip 40' Driver	0		1	0	0	
	Scale = \$24.90	0		1	0	0	
	Prep	0.4	Weeks	C	1,805	469	
	Shoot	8.4	Weeks	C	2,552	13,935	
	Cdn Holidays (in fringe)	0.4	Weeks	0	996	0	
	Wrap	0.2	Weeks	C	1,805	235	
	O/T Allowance	10	%	1	14,639	1,464	
		1		1	0	0	
	6. Honeywagon Driver/ Co Captain	1		1	0	0	
	Scale = \$24.90	0		1	0	0	
	Prep	4.8	Weeks	C	1,805	5,632	
	Shoot	10.6	Weeks	C	2,552	17,585	
	Cdn Holidays (in fringe)	0.4	Weeks	0	996	0	
	Wrap	1	Week	C	1,805	1,173	
	O/T Allowance	10	%	1	24,390	2,439	
		1		1	0	0	
	7. Honeywagon Driver	1		1	0	0	
	Scale = \$24.90	0		1	0	0	
	Prep	0.2	Weeks	C	1,805	235	
	Shoot	2	Weeks	C	2,552	3,318	
	Cdn Holidays (in fringe)	0.4	Weeks	0	996	0	
	Wrap	0.2	Weeks	C	1,805	235	
	O/T Allowance	10	%	1	3,788	379	
		1		1	0	0	
	8. MU& Hair Trailer :	0		1	0	0	
	Scale = \$24.90	0		1	0	0	
	Prep	0.8	Weeks	C	1,805	939	
	Shoot	10.6	Weeks	C	2,552	17,585	
	Cdn Holidays (in fringe)	0.4	Weeks	0	976	0	
	Wrap	0.2	Weeks	C	1,805	235	
	O/T Allowance	10	%	1	18,759	1,876	
		1		1	0	0	
	9. Maxi Van #1 Driver	1		1	0	0	
	Scale = \$23.92	0		1	0	0	
	Prep	0.8	Weeks	C	1,734	902	
	Shoot	10.6	Weeks	C	2,452	16,893	
	Cdn Holidays (in fringe)	0.4	Weeks	0	957	0	
	Wrap	1	Week	C	1,734	1,127	
	O/T Allowance	10	%	1	18,922	1,892	

Acct#	Description	Amount	Units	X	Rate	Subtotal	Total
35-00	TRANSPORTATION (CONT'D)						
35-03	VANCOUVER DRIVERS (CONT'D)						
		1		1	0	0	0
	10. Maxi Van #2 Driver	0		1	0	0	0
	Scale = \$23.92	0		1	0	0	0
	Prep	1	Week	C	1,734	1,127	
	Shoot	10.6	Weeks	C	2,452	16,893	
	Cdn Holidays (in fringe)	0.4	Weeks	0	957	0	
	Wrap	0.4	Weeks	C	1,734	451	
	O/T Allowance	10	%	1	18,471	1,847	
		1		1	0	0	0
		1		1	0	0	0
	11. Producer Trailer Driver	1		1	0	0	0
	Scale = \$24.90	0		1	0	0	0
	Prep	0.2	Weeks	C	1,805	235	
	Shoot	11	Weeks	C	2,552	18,249	
	Cdn Holidays (in fringe)	0.4	Weeks	0	996	0	
	Wrap	0.2	Weeks	C	1,805	235	
	O/T Allowance	10	%	1	18,719	1,872	
		1		1	0	0	0
	12. Director Set Driver	1		1	0	0	0
	Scale = \$25.49	0		1	0	0	0
	Prep	0.8	Weeks	C	1,848	961	
	Shoot	10.6	Weeks	C	2,613	18,002	
	Cdn Holidays (in fringe)	0.4	Weeks	0	1,020	0	
	Wrap	1	Week	C	1,848	1,201	
	O/T Allowance	10	%	1	20,164	2,016	
		1		1	0	0	0
	13. Director Trailer Driver	1		1	0	0	0
	Scale = \$24.90	0		1	0	0	0
	Prep	0.8	Weeks	C	1,770	920	
	Shoot	8.4	Weeks	C	2,502	13,661	
	Cdn Holidays (in fringe)	0.4	Weeks	0	976	0	
	Wrap	0.2	Weeks	C	1,770	230	
	O/T Allowance	10	%	1	14,811	1,481	
		1		1	0	0	0
	14. Cast Two Banger	0		1	0	0	0
	Scale = \$24.37	0		1	0	0	0
	Prep	0.2	Weeks	C	1,805	235	
	Shoot	3.6	Weeks	C	2,552	5,972	
	Cdn Holidays (in fringe)	0.4	Weeks	0	976	0	
	Wrap	0.2	Weeks	C	1,805	235	
	O/T Allowance	10	%	1	6,442	644	
		1		1	0	0	0
	15. Prod. Van Driver	0		1	0	0	0
	Scale = \$24.90	0		1	0	0	0
	Prep	0.4	Weeks	C	1,805	469	
	Shoot	8.4	Weeks	C	2,552	13,935	
	Cdn Holidays (in fringe)	0.4	Weeks	0	976	0	
	Wrap	0.2	Weeks	C	1,805	235	
	O/T Allowance	10	%	1	14,639	1,464	
		1		1	0	0	0
	16. Props 40' Driver	0		1	0	0	0
	Scale = \$24.08	0		1	0	0	0
	Prep	0.2	Weeks	C	1,805	235	

Freddy vs Jason

Acct#	Description	Amount	Units	X	Rate	Subtotal	Total
35-00	TRANSPORTATION (CONTD)						
35-03	VANCOUVER DRIVERS (CONTD)						
	Shoot	8.4	Weeks	C	2,552	13,935	
	Cdn Holidays (in fringe)	0.4	Weeks	0	976	0	
	Wrap	0.2	Weeks	C	1,805	235	
	O/T Allowance	10	%	1	14,405	1,441	
		1		1	0	0	
	17. Rigging 5-Ton Drivers	1		1	0	0	
	Scale = \$24.08	0		1	0	0	
	Prep (12 hrs)	0	Weeks	C*2	1,746	0	
	Shoot	8	Weeks	C*2	2,468	25,669	
	Cdn Holidays (in fringe)	0.4	Weeks	0	963	0	
	Wrap (12 hrs)	0	Weeks	C*2	1,746	0	
	O/T Allowance	10	%	1	25,669	2,567	
		1		1	0	0	
	18. SPFX Stakebed Driver	0		1	0	0	
	Scale = \$24.08	0		1	0	0	
	Prep	5.6	Weeks	C	1,746	6,355	
	Shoot	10.6	Weeks	C	2,468	17,006	
	Cdn Holidays (in fringe)	0.4	Weeks	0	963	0	
	Wrap	1	Week	C	1,746	1,135	
	O/T Allowance	10	%	1	24,496	2,450	
		1		1	0	0	
	19. SPFX Trailer Driver	0		1	0	0	
	Scale = \$24.90	0		1	0	0	
	Prep	0.4	Weeks	C	1,805	469	
	Shoot	2.6	Weeks	C	2,552	4,313	
	Cdn Holidays (in fringe)	0.4	Weeks	0	996	0	
	Wrap	0.4	Weeks	C	1,805	469	
	O/T Allowance	10	%	1	5,251	525	
		1		1	0	0	
	20. Wardrobe Trailer Driver	0		1	0	0	
	Scale = \$24.90	0		1	0	0	
	Prep	0.4	Weeks	C	1,805	469	
	Shoot	10.6	Weeks	C	2,552	17,585	
	Cdn Holidays (in fringe)	0.4	Weeks	0	996	0	
	Wrap	0.4	Weeks	C	1,805	469	
	O/T Allowance	10	%	1	18,523	1,852	
		1		1	0	0	
	21. Cable Truck Driver	1		1	0	0	
	Scale = \$24.90	1		1	0	0	
	Prep	0.4	Weeks	C	1,805	469	
	Shoot	8.4	Weeks	C	2,552	13,935	
	Wrap	0.4	Weeks	C	1,805	469	
	O/T Allowance	10	%	C	14,873	967	
		1		1	0	0	
	22. Insert Car	0		1	0	0	
	Scale = \$ 450.00 for 10, \$607.50 for 12	0		1	0	0	
	Shoot	6	Days	C	607.5	2,369	
	O/T Allowance	10	%	1	2,369	237	
		1		1	0	0	
	*****	1		1	0	0	
	ART DEPARTMENT	1		1	0	0	
	*****	1		1	0	0	
		1		1	0	0	

Freddy vs Jason

Acct#	Description	Amount	Units	X	Rate	Subtotal	Total
35-00	TRANSPORTATION (CONT'D)						
35-03	VANCOUVER DRIVERS (CONT'D)						
	23. Set Dress 5-Ton Driver	0		1	0	0	
	Scale = \$24.41	0		1	0	0	
	Prep	4.6	Weeks	C	1,770	5,291	
	Shoot	10.6	Weeks	C	2,502	17,239	
	Cdn Holidays (in fringe)	0.4	Weeks	0	976	0	
	Wrap	1	Week	C	1,770	1,150	
	O/T Allowance	10	%	1	23,680	2,368	
		1		1	0	0	
	24. Set Dress 5-Ton Driver	0		1	0	0	
	Scale = \$24.41	0		1	0	0	
	Prep	0	Weeks	C	1,770	0	
	Shoot	9	Weeks	C	2,502	14,637	
	Cdn Holidays (in fringe)	0.4	Weeks	0	976	0	
	Wrap	1	Week	C	1,770	1,150	
	O/T Allowance	10	%	1	15,787	1,579	
		1		1	0	0	
		1		1	0	0	
	*****	1		1	0	0	
	CONST.. VEHICLES	0		1	0	0	
	*****	1		1	0	0	
		1		1	0	0	
	25. Construction Driver	0		1	0	0	
	Scale = \$24.41	0		1	0	0	
	Prep	5.4	Weeks	C	1,770	6,212	
	Shoot	11	Weeks	C	2,502	17,889	
	Cdn Holidays (in fringe)	0.4	Weeks	0	976	0	
	Wrap	1	Week	C	1,770	1,150	
	O/T Allowance	10	%	1	25,251	2,525	
		1		1	0	0	
	26. Stakebed Driver	0		1	0	0	
	Scale = \$24.41	0		1	0	0	
	Prep	1.8	Weeks	C	1,770	2,071	
	Shoot	6.2	Weeks	C	2,502	10,083	
	Cdn Holidays (in fringe)	0.4	Weeks	0	976	0	
	Wrap	1	Week	C	1,770	1,150	
	O/T Allowance	10	%	1	13,304	1,330	
		1		1	0	0	
	*****	1		1	0	0	
	MISC Drivers	0		1	0	0	
	*****	1		1	0	0	
	Mandays @24.08 15 hours	40	Allow	C	494	12,835	
	O/T Allowance	10	%	1	12,835	1,284	
	Mandays @24.08 15 hours-Loano...	40	Allow	C	494	12,835	
	O/T Allowance	10	%	1	12,835	1,284	
	thru w/e 10/26	1	savings	(1)	5,000	(5,000)	
	W/E 11/16-11/23 estimates	1	SAVINGS	(1)	26,000	(26,000)	\$432,362
35-09	TRANSPORTATION PA						\$0
35-12	EXPENDABLES						\$0
		0		0	0	0	\$0
35-15	PURCHASES						
	Honeywagon Supplies, Dumps, etc.	10.6	Weeks	C	1,500	10,335	
	Expendables	10.6	Weeks	C	500	3,445	
	Water tank & Pump	1	Allow	C	600	390	\$14,170

Acct#	Description	Amount	Units	X	Rate	Subtotal	Total
35-00	TRANSPORTATION (CONT'D)						
35-16	VANCOUVER TRUCK RENTALS						
	PRODUCTION:	1		1	0	0	
	1. Camera Truck	11.6	Weeks	C	700	5,278	
	2. Cast 2 Banger- Crew Cab	11.4	Weeks	C	500	3,705	
	-Starwagon	11.4	Weeks	C	1,300	9,633	
	3. Cast 3 Banger- Crew Cab	11.4	Weeks	C	600	4,446	
	-Starwagon	11.4	Weeks	C	1,300	9,633	
	4. Cast 3 Banger- Crew Cab	11.4	Weeks	C	600	4,446	
	-Starwagon	11.4	Weeks	C	1,300	9,633	
	5. Grip Ten Ton	12.4	Weeks	C	900	7,254	
	6. Honeywagon	11.4	Weeks	C	1,800	13,338	
	7. Honeywagon	2.4	Weeks	C	1,800	2,808	
	8. M-UP & Hair - Trailer	12.4	Weeks	C	2,000	16,120	
	9. SPFX MU	11.6	Weeks	C	750	5,655	
	10. First Aid	11.4	Weeks	C	450	3,335	
	- Truck/Fueler	13.0	Weeks	C	525	4,436	
	11. Maxi Van #1	17.0	Weeks	C	350	3,868	
	12. Maxi Van #2	19.6	Weeks	C	300	3,822	
	13. Producer Trailer	11.4	Weeks	C	1,300	9,633	
	13A. Producer Trailer	2	Weeks	C	1,300	1,690	
	14. Director Set Car	11.0	Weeks	C	350	2,503	
	15. Director Trailer	11.4	Weeks	C	1,200	8,892	
	Fiat Deck	11.4	Weeks	C	500	3,705	
	16. Cast Two Banger	11.4	Weeks	C	1,000	7,410	
	- Tractor	11.4	Weeks	C	500	3,705	
	17. Production Van - Tractor	10.6	Weeks	C	800	5,512	
	- Trailer	11.0	Weeks	C	400	2,860	
	18. Props Truck	12.0	Weeks	C	500	3,900	
	19. Rigging 5-Ton	10.6	Weeks	C*2	550	7,579	
	20. Cable Truck	10.6	Weeks	C	700	4,823	
	21. SPFX Stakebed	17.2	Weeks	C	500	5,590	
	22. SPFX Crew Cab for Trailer	12.0	Weeks	C	700	5,460	
	23. Wardrobe -Tractor/Trailer	12.4	Weeks	C	1,800	14,508	
	24. Insert Car	6	Days	C	1,050	4,095	
	25. Utility Cube	11.4	Weeks	C	1,100	8,151	
		1		1	0	0	
	ART DEPARTMENT:	1		1	0	0	
	24. Set Dress 5-Ton #1	15.2	Weeks	C	550	5,434	
	25. Set Dress 5-Ton #2	12.4	Weeks	C	550	4,433	
		1		1	0	0	
	CONSTRUCTION:	1		1	0	0	
	27. Const. 5-Ton	16.0	Weeks	C	550	5,720	
	28. Stakebed	14.0	Weeks	C	500	4,550	
		1		1	0	0	
	MISC VEHICLES:	1		1	0	0	
	Coord Vehicle	22.4	Weeks	C	400	5,824	
	Captain Vehicle	20.0	Weeks	C	400	5,200	
	Gators	8.0	Weeks	C*4	550	11,440	
	Paint Truck	13.0	Weeks	C	250	2,113	
	Locations Van	12.0	Weeks	C	250	1,950	
	w/e 10/26 est savings rentals	(1)	Allow	1	3,500	(3,500)	
	Add'l Vehicles	1	Allow	C	28,000	18,200	
	PST	7.5	%	1	268,790	20,159	\$288,949
35-18	AUTO RENTALS-SELF DRIVES						

Acct#	Description	Amount	Units	X	Rate	Subtotal	Total
35-00	TRANSPORTATION (CONT'D)						
35-18	AUTO RENTALS-SELF DRIVES (CONT'D)						
	Accountant	24.2	Weeks	1	125	3,025	
	Asst Accountant	22.4	Weeks	C	200	2,912	
	Production Designer -	21.2	Weeks	C	205	2,825	
	SPFX Foreman	20.0	Weeks	C	200	2,600	
	DP	19.2	Weeks	C	210	2,621	
	VFX Supervisor	20.4	Weeks	C	200	2,652	
	VFX Producer	16.2	Weeks	C	200	2,106	
	VFX Coordinator	15.2	Weeks	C	150	1,482	
	Editor	12.2	Weeks	C	250	1,983	
	Asst Editor	12.2	Weeks	C	200	1,586	
	Visual Effects Editor	12.2	Weeks	C	200	1,586	
		1		1	0	0	
	Misc	10	Weeks	5*C	250	8,125	\$33,503
35-21	FUEL/OIL PURCHASES						
	Prep	10	Weeks	C	2,000	13,000	
	Shoot	10.6	Weeks	C	10,000	68,900	
	Wrap	2	Weeks	C	1,500	1,950	\$83,850
35-22	DRIVER MEAL MONEY						
	Vancouver Drivers	53	Days	C*30	15	15,503	
	Addl Man Days	80	Days	C	15	780	
	thu w/e 10/26	(1)	savings	1	5,900	(5,900)	\$10,383
35-24	MILEAGE ALLOWANCE						
	Cast & Crew allowance	1	Allow	C	15,000	9,750	
	thru w/e 10/26	(1)	savings	1	2,500	(2,500)	\$7,250
35-25	CATERING LABOR						
	COOK:	0		1	0	0	
	Scale = \$24.90	0		1	0	0	
	Prep	0.2	Weeks	C	1,370	178	
	Shoot	10.6	Weeks	C	2,552	17,585	
	Wrap	0.2	Weeks	C	1,370	178	
	Cdn Holidays (in fringe)	0.4	Weeks	0	1,370	0	
	O/T Allowance	10	%	1	17,941	1,794	
		1		1	0	0	
	HELPER #1	0		1	0	0	
	Scale = \$23.46	0		1	0	0	
	Prep	0.2	Weeks	C	1,290	168	
	Shoot	10.6	Weeks	C	2,405	16,568	
	Cdn Holidays (in fringe)	0.4	Weeks	0	996	0	
	Wrap	0.2	Weeks	C	1,290	168	
	O/T Allowance	10	%	1	16,904	1,690	
		1		1	0	0	
	HELPER #2	0		1	0	0	
	Scale = \$23.46	0		1	0	0	
	Shoot	10.6	Weeks	C	2,405	16,568	
	Cdn Holidays (in fringe)	0.4	Weeks	0	996	0	
	O/T Allowance	10	%	1	16,568	1,657	
		1		1	0	0	
	HELPER #3	0		1	0	0	
	Scale = \$23.46	0		1	0	0	
	Shoot	1	Week	C	2,405	1,563	
	Cdn Holidays (in fringe)	0.4	Weeks	0	996	0	
	O/T Allowance	10	%	1	1,563	156	\$58,273
35-30	PARKING/PERMITS/TOLLS ETC.						

Freddy vs Jason

Acct#	Description	Amount	Units	X	Rate	Subtotal	Total
35-00	TRANSPORTATION (CONT'D)						
35-30	PARKING/PERMITS/TOLLS ETC. (CONT'D)						
	Allowance		1	Allow	C	5,000	3,250
35-41	REPAIRS & MAINTENANCE						\$3,250
	Allowance		1	Allow	C	20,000	13,000
35-48	MISSING & DAMAGE						\$13,000
	Allowance		1	Allow	C	10,000	6,500
35-78	BOX RENTALS						\$6,500
			0		0	0	0
35-80	MISCELLANEOUS						\$0
	Towing		1	Allow	C	5,000	3,250
						3,250	\$3,250
						Total For 35-00 \$1,030,638	

FREDDY VS JASON w/e 11/16

53 day Main Unit /25 day 2nd Unit/ 11 day Splinter Unit

LOCATION: Vancouver BC

Begin: 9/9/02 / Finish: 11/19/02

UNIONS: SAG,DGA,IA,Teamster,DGC,UBCP

W/E 11/6 Labor NOT ACTUALIZED

Revised 11/20/02

55 days Main Unit

25 days 2nd Unit

11 days Splinter Unit

All "Alerts to date included"

Acct#	Description	Amount	Units	X	Rate	Subtotal	Total
36-00	LOCATIONS						
36-01	LOCATION MANAGER						
	(Scale = \$2079/75hrs- Loan Out	0		1	0	0	
	Prep	9.8	Weeks	C	2,780	17,709	
	Shoot	10.6	Weeks	C	2,780	19,154	
	Cdn Holidays	0.4	Weeks	C	2,780	723	
	Wrap	1	Week	C	2,780	1,807	
	O/T Allowance	5	%	1	39,393	1,970	\$41,363
36-02	ASST LOCATION MANAGER						
	Key Ass't. Loc. Manager	1		1	0	0	
	(Scale = \$1,669)	0		1	0	0	
	Prep	8	Weeks	C	1,750	9,100	
	Shoot	10.6	Weeks	C	1,750	12,058	
	Cdn Holidays	0.4	Weeks	C	1,750	455	
	Wrap	1	Week	C	1,750	1,138	
	O/T Allowance	5	%	1	22,751	1,138	
		1		1	0	0	
	Add'l Scouts	9	Weeks	C	1,100	6,435	\$30,324
36-03	LOCATION SURVEY COSTS						
	Vancouver Scout	1	Allow	1	6,000	6,000	\$6,000
36-05	POLICE						
	\$90 hr / 12 hrs = 12 phrs	1		1	0	0	
	Vancouver loc days	1	Allow	C	22,000	14,300	
	ALL POLICE-EXT. ELM ST-OVERAGE	1	Allow	C	6,250	4,063	\$18,363
36-06	SECURITY						
	Set Security	1		1	0	0	
	\$18.39 hr	0		0	0	0	
	Prep (x2) 12hrs	1	Week	C*2	1,333	1,733	
	Shoot (x2) 12hrs	10.6	Weeks	C*2	2,667	36,745	
	Wrap (x2) 12hrs	1	Week	C*2	1,333	1,733	
	Weekends/Holidays	13.0	Weeks	C*4	533	18,026	
	Man Day Allowance	1	Week	C*2	1,333	1,733	
	Safety / Security Kit	500	Shifts	C	5	1,625	
	11/2 INCREASE FOR LOCS	1	Allow	1	10,000	10,000	
	11/9-11/22 INCREASE FOR LOCS	1	Allow	1	22,000	22,000	
	Overnight @ Locations	90	Days	C*2	533	62,397	\$155,992
36-07	FIRE SAFETY/AMBULANCE						
	FIRE FSO	1		1	0	0	
	\$50 hr / 12 hr = 15 phrs	23	Days	C	1,700	25,415	
	AMBULANCE	1		1	0	0	
	ALLOW FOR 10 DAYS*****	5	Days	C	2,640	8,580	\$33,995
36-11	XEROX						
	Rentals:	1		1	0	0	
	Production Copier	5	Months	C	1,500	4,875	

Fredc vs Jason

Acct#	Description	Amount	Units	X	Rate	Subtotal	Total
36-00	LOCATIONS (CONT'D)						
36-11	XEROX (CONT'D)						
	Art Dept-Purch	5	Months	C	1,000	3,250	
	SPFX / Set Dec-Purch	1	Allow	C	500	325	
	Construction-Purch	1	Allow	C	500	325	
	Set Copier-Purch	1	Allow	C	500	325	
		6	Months	C	90	351	
	Add'l Copies	4	Months	C	500	1,300	
	Supplies	1	Allow	C	5,000	3,250	\$14,001
36-12	MEDIC SUPPLIES						\$0
36-13	LOCATION OFFICES						
	Production Offices -	6	Months	C	15,000	56,250	
	(Incl Art Dept)	1		C	0	0	
	Boardroom Rentals	1	Allow	C	1,500	975	
	Additional Office Space	1	Allow	C	2,500	1,625	
	Office Cleaning	1	Allow	C	7,560	4,914	\$63,764
36-15	OFFICE SUPPLIES						
	Supplies	23.6	Weeks	C	1,250	19,175	\$19,175
36-16	OFFICE EQUIP RENTAL						
	Furniture	6	Months	C	5,000	18,750	
	Equipment	6	Months	C	1,150	4,313	
	PST	7.5	%	C	23,063	1,124	\$24,187
36-20	LOCATION SHIPPING						
	Allowance	1	Allow	-1	45,500	45,500	\$45,500
36-21	CREW TRAVEL						
	LA Hires	1		1	0	0	
	Prod. Accountant	1	Trip	1	550	550	
	1st Ass't Accountant	1	Trip	1	550	550	
	SPFX Coord.	1	Trip	1	550	550	
	SPFX Foreman	1	Trip	1	550	550	
	VFX Supervisor	4	Trips	1	900	3,600	
	VFX Producer	3	Trips	1	550	1,650	
	Dir of Photo	1	Trip	2	5,663	11,326	
	Editor	1	Trip	2	900	1,800	
	Ass't Editor	1	Trip	1	900	900	
	Costume Designer	1	Trip	1	1,608	1,608	
	Misc Allow	1	Allow	1	2,500	2,500	\$25,584
36-22	TAXI'S	1	Allow	1	5,000	5,000	\$5,000
36-23	CREW HOTEL						
	Vancouver Hotels - \$200 Per Night	1		1	0	0	
	rate to include all Hotel taxes	1		1	0	0	
	LA Hires:	1		1	0	0	
	Prod. Accountant	24.0	Weeks	C	1,400	21,840	
	1st Ass't Accountant	24.0	Weeks	C	1,400	21,840	
	SPFX Coord.	22	Weeks	1	750	16,500	
	SPFX Foreman	22	Weeks	1	750	16,500	
	Dir of Photo	19.2	Weeks	C	1,150	14,352	
	Cam Operator	13	Weeks	C	1,000	8,450	
	VFX Supervisor	21.2	Weeks	C	1,150	15,847	
	VFX Producer	16.6	Weeks	C	1,150	12,409	
	Editor	12.2	Weeks	C	1,150	9,120	
	Ass't Editor	12.2	Weeks	C	1,150	9,120	
	Costume Designer (LA Fittings)	2	Man Days	1	200	400	
	Misc Allow	1	Allow	C	5,000	3,250	\$149,628
36-24	CREW PER DIEM						

Acct#	Description	Amount	Units	X	Rate	Subtotal	Total
36-00	LOCATIONS (CONT'D)						
36-24	CREW PER DIEM (CONT'D)						
	"A" Per Diem - \$100	1		1	0	0	
	"B" Per Diem - \$55	1		1	0	0	
	LA Hires	1		1	0	0	
	Prod. Accountant	24.0	Weeks	1	525	12,600	
	1st Ass't Accountant	24.0	Weeks	1	525	12,600	
	SPFX Coord.	22	Weeks	1	385	8,470	
	SPFX Foreman	22	Weeks	1	385	8,470	
	Dir of Photo	19.2	Weeks	1	525	10,080	
	Cam Operator	13	Weeks	1	385	5,005	
	VFX Supervisor	21.2	Weeks	1	385	8,162	
	VFX Producer	16.6	Weeks	1	385	6,391	
	Editor	12.2	Weeks	1	525	6,405	
	Ass't Editor	12.2	Weeks	1	385	4,697	
	Costume Designer (LA Fittings)	0.6	Weeks	1	525	315	\$83,195
36-25	CATERING						
	Catered Meals (135 meals)	53	Days	C*135	15	69,761	
	Union Extras Meals	265	Man Days	C	15	2,584	
	NonUnion Extra Box Lunch	700	Man Days	C	10	4,550	
	Misc Catering Expenses	10.6	Weeks	C	600	4,134	
	Office Meals	23.6	Weeks	C	1,500	23,010	\$104,039
36-28	PERMITS & FEES						
	Permits/ Engineering Fees	1	Allow	C	9,500	6,175	
	Allow for add'l Elm St posting	1	Allow	C	3,000	1,950	\$8,125
36-30	LOCATION FILM & PROCESS						
	Location scouting photos	1	Allow	C	6,250	4,063	\$4,063
36-32	LOCATION TELEPHONE						
	Installation	1	Allow	C	2,000	1,300	
	Phone Rental	6	Months	C	4,200	15,750	
	Internet Support	1	Allow	C	5,000	3,250	
	Internet Service	6	Months	C	1,150	4,313	
	Message System	6	Months	C	160	600	
	Usage	6	Months	C	5,000	18,750	
	Cell Phones	6	Months	C	6,000	22,500	\$66,463
36-33	SITE RENTAL						
	ADDL PREP/HOLD WOODLANDS-O...	1	Allow	C	38,000	24,700	
	ADDL OVERAGES W/E 10/12	1	Allow	C	7,500	4,875	
	ADL OVERAGES W/E 10/26	1	Allow	C	15,000	9,750	
	Ext High School/Library	1		1	0	0	
	Prep	2	Days	C	600	780	
	Shoot	1	Day	C	2,500	1,625	
	Wrap	1	Day	C	600	390	
	Ext Blake house/Freeburgs	1		C	0	0	
	Prep	3	Days	C	500	975	
	Shoot *	1	Day	C	3,500	2,275	
	Wrap	2	Days	C	500	650	
	Ext/Int Elm Street House	1		C	0	0	
	Prep	15	Days	C	1,000	9,750	
	Shoot	6	Days	C	2,333	9,099	
	Wrap	15	Days	C	1,000	9,750	
	Int High School Hallyway/infirmary	1		C	0	0	
	Prep	10	Days	C	425	2,763	
	Shoot	2	Days	C	875	1,138	
	Wrap	5	Days	C	425	1,381	

Freddy vs Jason

Acct#	Description	Amount	Units	X	Rate	Subtotal	Total
36-00	LOCATIONS (CONT'D)						
36-33	SITE RENTAL (CONT'D)						
	Int Sheriffs Office		1		C	0	0
	Prep		2	Days	C	425	553
	Shoot		2	Days	C	875	1,138
	Wrap		5	Days	C	425	1,381
	Ext Cornfeild		1		C	0	0
	Prep		15	Days	C	500	4,875
	Shoot		5	Days	C	1,500	4,875
	Wrap		3	Days	C	500	975
	Ext Camp Crystal/Dock		1		C	0	0
	Prep		54	Days	C	350	12,285
	Shoot		12	Days	C	500	3,900
	Wrap		10	Days	C	350	2,275
	Ext Blacktop/crash		1		C	0	0
	Prep		2	Days	C	250	325
	Shoot		1	Day	C	1,000	650
	Wrap		1	Day	C	500	325
	Ext/Int Dream Clinic		1	0	C	0	0
	Prep		20	Days	C	650	8,450
	Shoot		5	Days	C	1,100	3,575
	Wrap		5	Days	C	650	2,113
	Ext/Int Asylum		1		C	0	0
	Prep		3	Days	C	425	829
	Shoot		1	Day	C	1,100	715
	Wrap		2	Days	C	425	553
	Carlos Van (Moving)		1		C	0	0
	Prep		1	Day	C	0	0
	Shoot		1	Day	C	0	0
	Wrap		1	Day	C	0	0
	Ext/Int Carlos House		1		C	0	0
	Prep		2	Days	C	500	650
	Shoot		1	Day	C	1,000	650
	Wrap		2	Days	C	500	650
	Int Water Park/Tank		1		C	0	0
	Prep		10	Days	C	1,500	9,750
	Shoot *		2	Days	C	3,000	3,900
	Wrap		5	Days	C	1,500	4,875
	Int BoilerRoom		1		C	0	0
	Prep		10	Days	C	425	2,763
	Shoot		5	Days	C	850	2,763
	Wrap		5	Days	C	425	1,381
	Ext Town		1		C	0	0
	Prep		1	Day	C	0	0
	Shoot		1	Day	C	8,000	5,200
	Wrap		1	Day	C	0	0
	Location Staff- Liasons..Etc...)		1	Allow	C	38,000	24,700
	Allowance for Misc Locations Costs		1	Allow	C	42,200	27,430
							\$214,405
36-34	LOC.SITE RENTAL MISC						
	Allowance for tents, holding areas,		1		1	0	0
	Xtras Holding Areas		1	Allow	C	19,500	12,675
	Brkfast/Lunch Area Fees		1	Allow	C	12,500	8,125
							\$20,800
36-35	PARKING						
	Vancouver Crew parking		1	Allow	C	12,000	7,800
	Office parking		5	Months	C	1,750	5,688
							\$13,488

Saturday, February 19, 2005 4:15:37 PM

Freddy vs Jason

Acct#	Description	Amount	Units	X	Rate	Subtotal	Total
36-00	LOCATIONS (CONT'D)						\$0
36-36	HEATING & AIR CONDITIONING						
36-45	LOCATION RESTORATION						
	Resoration Fees/Garbage	1	Allow	C	38,000	24,700	
	Clean/Move	1	Allow	C	22,000	14,300	\$39,000
36-46	LOCATION GRATUITIES						
	GRATUITIES	1	Allow	C	7,600	4,940	
	ADD'L LOCATION BUYOUTS	1	Allow	C	42,000	27,300	\$32,240
36-48	MISSING & DAMAGE						
	Allowance	1	Allow	C	2,500	1,625	\$1,625
36-78	BOX RENTALS						
	Loc Manager computer	1	Allow	C	1,000	650	
		1		1	0	0	\$650
36-79	CAR ALLOWANCE						
	Location Manager -	22.6	Weeks	C	150	2,204	
	Key Ass't Loc Mgr -	21.6	Weeks	C	150	2,106	
	Ass't Loc Mgr #1 -	20.6	Weeks	C	150	2,009	
	Scout -	7	Weeks	C	150	683	\$7,002
36-80	MISCELLANEOUS						
	Supplies, Cones, Signs	1	Allow	C	10,000	6,500	
	Allowance	1	Allow	C	13,500	8,775	
	Weather Reports	29	Days	1	30	870	
	Polaroid Film - all depts	1	Allow	C	10,000	6,500	\$22,645
36-90	VISAS/PERMITS						
	Work permits	10	Allow	C	150	975	
	Misc Allowance	1	Allow	1	1,000	1,000	\$1,975
Total For 36-00							\$1,252,591



KANSAS
CHAPTER
Saving the Last Great Places

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March 7, 2005

The Honorable Barbara Allen, Chair
Senate Committee on Assessment and Taxation
Room: 143-N
Capitol Bldg.
Topeka, KS 66606

Senator Allen,

Thank you for the opportunity to testify today during the Senate Committee on Assessment and Taxation's hearing on Senate Bill 280.

The Nature Conservancy is a nonprofit conservation organization dedicated to the preservation of the plants, animals and natural communities that represent the diversity of life on Earth by protecting the lands and water they need to survive. The Nature Conservancy and its nearly one-million members (7,000 in Kansas) have been responsible for the protection of more than 14 million acres of biologically significant land in the United States, including 56,000 acres in Kansas. The 8,616-acre Konza Prairie and the soon-to-be acquired Tallgrass Prairie National Preserve are examples of this success story.

Our testimony today in short stressed our full support for the development of alternative, renewable energy resources, and we support the concept of appropriately sited wind generation facilities. Suitable placement is critical, however, as we are concerned about ecological impacts that utility-scale wind facilities could have in areas of high ecological value.

It became abundantly clear during the hearing that there are strong feelings both in support and in opposition to SB 280. Our testimony concluded that while the legislation aims to protect the "heart of the Flint Hills," it left other areas of high ecological importance in Kansas unaddressed.

Therefore, I would like to offer TNC services in developing alternative approaches to developing renewable energy facilities that also address the need to preserve lands of high ecological value across the state. I am confident we can bring in other representatives from the ranching and conservation interests, as many have already expressed an interest in working together.

TNC recognizes that clean energy generation is positive on many fronts. We also recognize the complexities of developing accommodating policy that fosters their development without rendering damage to native, undisturbed prairie. Therefore, we would appreciate an opportunity to work with you as the Chair, or other members to create alternative approaches to the goals of SB 820.

We are ready to begin working with the multiple interests to develop alternatives that will provide protections for our most environmentally sensitive lands while allowing responsible wind energy development in a manner less costly to the taxpayers of Kansas. Your direction would be appreciated on an acceptable timeframe and reporting of results. Please feel free to contact me at the above address and phone number.

Sincerely,



Alan Pollom, V.P./State Director

The Nature Conservancy/Kansas Chapter.

CC:

Members of the Senate Committee on Assessment and Taxation

Kansas Livestock Association

Kansas Wildlife Federation

Audubon of Kansas

Kansas Chapter of the Wildlife Society

Pheasants Forever