

# Canyon News

August 28, 2005

## **TV In, Movies Out in L.A.**

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LOS ANGELES - While TV production is slightly increasing, the film production is rapidly decreasing in Southern California. It is fleeing to other states and even Canada. Canada, along with Louisiana, New Mexico, and Illinois all offer tax incentives to producers. The Entertainment Industry Development Corporation, EIDC, a nonprofit organization, issues permits to the producers. The agency found that film production decreased drastically from 1996 where 13,980 permits were issued. In 2004 just 8,707 permits were supplied to the producers.

EIDC has analyzed the decrease throughout the past decade and found that feature films have declined 47 percent in the past seven years before a slight increase in 2004.

EIDC president, Steve MacDonald, commented, "There's no question that incentives from other regions have been effective in luring feature film production. We believe feature production will not recover to the peak levels experienced during the mid-1990s without significant action by state and local government."

Los Angeles is known as the entertainment production capital and while the fleeing film production is hurting the appearance, the TV production is helping define Los Angeles as an entertainment powerhouse.

The California State Senate Bill A B777 addresses the issue of losing business due to other states and countries' tax incentives. The Bill was amended in June 2005 requiring that the California Film Commission (CFC), in collaboration with specified state entities, conduct a statewide analysis of the impact of runaway film production on the California film industry and report back to the Legislature no later than March 1, 2006.

State and local governments, nonprofits, labor unions and the film industry indicate that tax credits and other incentives to produce films outside California have resulted in film production moving out of California and into other states and countries. A number of bills creating tax credits for film, television and commercial production have been introduced over the past few years, and all have failed passage. More Bills will probably be pushed about this issue in the near future to try and save film production.

The film industry accounts for roughly 50% of the total U.S. motion picture industry output, is the 18th largest industry sector contributor to the California gross state product, and is the 25th largest employer in California.

The TV production continues to be on the rise during the decline of the film production. While many people see this as good news for California, others are more concerned with the dwindling film production.

"The increase in original programming by cable networks in recent years, combined with a shift away from reruns by the broadcast networks, has resulted in expanded TV production," MacDonald added.

Los Angeles area residents and local government want to maintain Los Angeles' position as the global leader in media production. EIDC is not a government agency, but holds contracts with several cities and other government agencies to facilitate filming.