

FILM IN MONTANA

Evaluating the Impacts of Film Production and the MEDIA Act on the Montana Economy 2021-2022

The presence of film productions within Montana draws significant outside investment to the state. This injection of spending helps to support existing industries and services in Montana, which helps to bolster the State economy, and supports jobs for local residents. Many states provide incentives to attract productions as an economic development initiative because of this anticipated boost to local economies. In 2019, the Montana State Legislature passed the Montana Economic Development Industry Advancement Act (MEDIA Act) to provide an income tax incentive to attract film, television and other media production to the State. This report provides an analysis of the economic, fiscal, and broad impacts from film and television production in the State and specifically evaluates the impacts associated with the MEDIA Act Tax Credit Program.

Media Production in Montana by the Numbers

Productions that Have Filmed, **July 2020- June 2022**

195	$191.8 M	$77.5 M	$153.9 M	840 FTE*	$41.5 M	$16.6 M
Number of Productions	Total Direct Spending	Total Local Direct Spending	Total Local Economic Impact	Total Jobs	Employee Compensation	Total Tax Revenue

	Other Productions	MEDIA Act Tax Credit Productions	All Productions
Direct Output ($M)	$34.9	$42.6	$77.5
Indirect and Induced ($M)	$36.0	$40.4	$76.4
Total Impact ($M)	**$70.9**	**$83.0**	**$153.9**
Direct Jobs Supported (FTE*)	190	160	350
Indirect and Induced Jobs Supported (FTE*)	270	220	490
Total Jobs Supported (FTE*)	**460**	**380**	**840**
Total Employee Compensation Supported ($M)	**$25.5**	**$15.9**	**$41.5**

*FTE is full-time job equivalents

Source: IMPLAN (2022)

Impact of the MEDIA ACT

Direct Spending on Film Productions

Indirect Economic Activity

- Small and Local Business Spending
- Hotel and Hospitality Industry Support
- Ecosystem of Production-Related Businesses

Induced Economic Benefit

- Cast and Crew Spending
- Increased Tourism

Related Indirect Benefits

- Attracts Outside Investment in Montana Communities
- Draws Interest in Studio Development

Related Workforce Benefits

- Reduces Brain Drain
- Supports Training and Skill Building of Local Cast and Crew

Creates a Competitive Film Industry that Attracts Further Outside Investment and Additional Local Job Support



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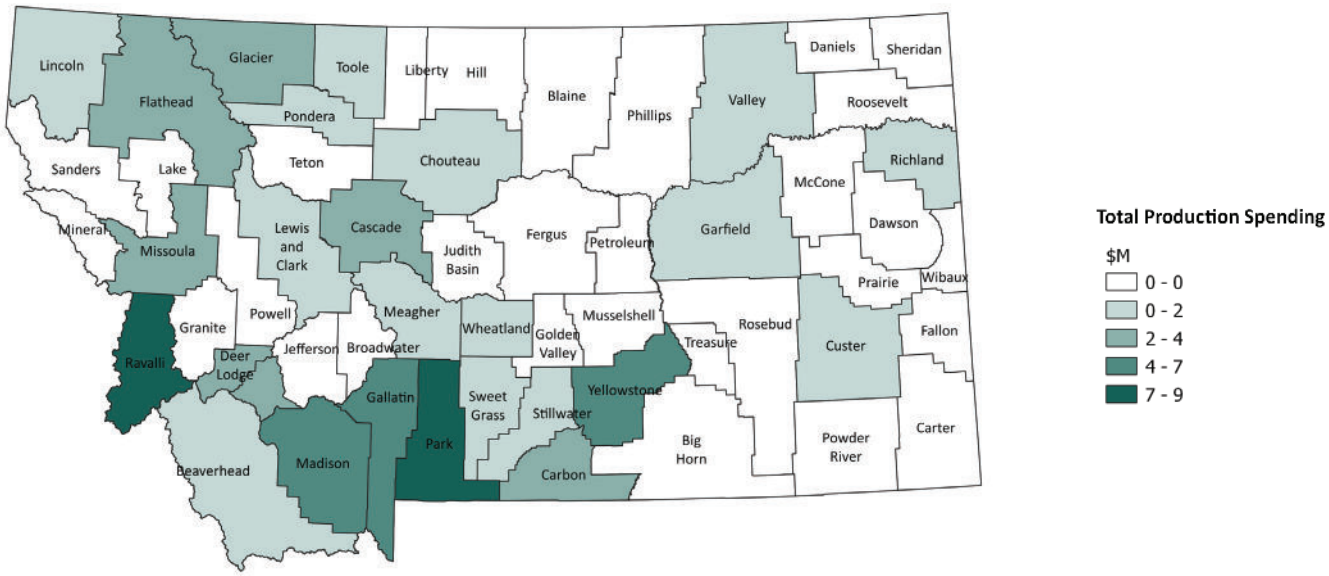
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The benefits to local communities from the film and entertainment industry are considerable. During filming, production often hires local businesses to help support their operations. From caterers, to hotels, and hardware stores to transportation, the film industry can have a significant economic impact on various sectors of the local economy. Even one day of shooting can have a significant impact on local business. And following a successful on-screen production, tourism is often boosted which can further stimulate the local community and economy.

In addition to direct economic benefits, long term benefits include development and establishment of spin off film production activities such as editing, sound production, creative and artistic activities, development of permanent facilities such as sound stages and studios, and industries related to independent filmmaking, documentaries, music videos, and interactive media production. Regions with thriving film activity also fuel a creative and culturally vibrant local economy, attracting additional interest in the area through capital investment and increased tourism. As an economic driver, the arts community provides thousands of jobs throughout the State, creating a diverse and resilient local economy.

Localized Impacts of Film Production in Montana



Broader Impacts of Film Production in Montana

In addition to economic impacts, there are additional social benefits to local communities

Film-Induced Tourism Research shows that film and TV can influence travel decisions and help to market and grow local visitor economies. This makes the State an attractive tourism destination, attracting visitors who may not have come there otherwise.

Cultivating Arts and Culture Arts and culture communities serve as an amenity that not only improve quality of life but also add to the overall appeal of an area. A robust film industry helps support broader employment in the sector and can help make Montana a more attractive place for recent graduates.

Capital Investment Infrastructure investment supports a growing and sustainable production industry. Investment in physical studios can create virtuous cycles that induce future production activity that occurs in the local economy rather that outside the State.

State of Montana

MEDIA Act

The Montana Legislature passed the Montana Economic Development Industry Advancement Act (MEDIA Act) to provide an income tax incentive applicable to expenditures related to film, television, other media production, and post-production activities that tax place in the State, effective July 1, 2019 through 2029. The program provides a 20 percent transferable ax credit on expenditures within the state with additional incentives that can increase the credit up to 35 percent of production's investments per year.

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