



COMMONWEALTH of VIRGINIA

Department of Taxation

October 29, 2013

The Honorable Walter A. Stosch
Chairman, Senate Finance Committee
4551 Cox Road, Suite 110
Glen Allen, Virginia 23060

The Honorable Lacey E. Putney
Chairman, House Appropriations Committee
P.O. Box 127
Bedford, Virginia 24523

The Honorable Harry R. Purkey
Chairman, House Finance Committee
2352 Leeward Shore Drive
Virginia Beach, Virginia 23451

Re: Annual Report on Motion Picture Production Tax Credits Claimed During Calendar Year 2012

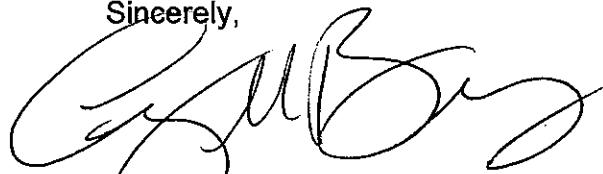
Dear Chairmen:

Virginia Code § 58.1-439.12:03 requires the Department of Taxation ("the Department"), in consultation with the Virginia Film Office, to publish an annual report by November 1 of each year regarding Motion Picture Production Tax Credits that were claimed during the preceding calendar year. Such report must include information regarding the location of sites used in a production for which a credit was claimed; qualifying expenses for which a credit was claimed, classified by whether the expenses were for goods, services, or compensation paid by the production company; the number of people employed in the Commonwealth with respect to credits claimed; and the total cost to the General Fund.

During the 2012 calendar year, fewer than four taxpayers claimed the Motion Picture Production Tax Credit. Pursuant to *Va. Code* § 58.1-3, employees of the Department are expressly prohibited from divulging confidential taxpayer information, including information with respect to the transactions, property, income, or business of any person, firm, or corporation, unless a statutory exception applies. The publication of statistics is permitted only if such statistics are classified so as to prevent the identification of a particular taxpayer. In order to comply with these confidentiality requirements, the Department does not publish information any tax credit information if fewer than four taxpayers claimed that particular tax credit during the reporting period. Therefore, the Department cannot publish an annual report regarding Motion Picture Production Tax Credits that were claimed during the 2012 calendar year.

Please let me know if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Craig M. Burns', written in a cursive style.

Craig M. Burns
Tax Commissioner

CMB/mth

c: The Honorable Richard D. Brown