



# COMMONWEALTH of VIRGINIA

*Department of Taxation*

October 28, 2020

The Honorable Janet D. Howell  
Chairwoman, Senate Finance and Appropriations Committee

The Honorable Luke E. Torian  
Chairman, House Appropriations Committee

The Honorable Vivian E. Watts  
Chairwoman, House Finance Committee

*Virginia Code* § 58.1-439.12:03 requires the Department of Taxation (“the Department”), in consultation with the Virginia Tourism Authority, 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. Pursuant to *Va. Code* § 58.1-439.12:03, such information is required to be published even if such information cannot be classified to prevent the identification of particular taxpayers, returns, and items.

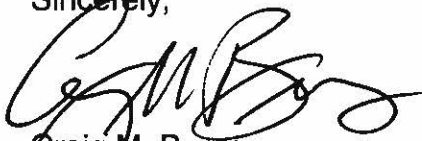
During Calendar Year 2019, taxpayers claimed a total of \$6,500,000 in Motion Picture Production Tax Credits. The Motion Picture Production Tax Credit can be claimed for qualifying expenses, which include goods and services leased or purchased, compensation, and wages. Based upon data from the Virginia Film Office within the Virginia Tourism Authority, the motion picture production companies that claimed credits during Calendar Year 2019 incurred a total of \$41,002,978 in qualifying expenses. These qualifying expenses included \$31,775,744 worth of compensation, \$4,979,654 in goods purchased or leased, and \$4,247,579 in services obtained by such motion picture production companies. The chart below shows a breakdown of tax credits claimed during Calendar Year 2019 by the type of expenses and amount of such expenses.

Information Related to Credits Claimed During Calendar Year 2017				
<b>Total Credits Claimed</b>	Total Services	Total Compensation	Total Goods	<b>Total Qualifying Expenses</b>
<b>\$6,500,000</b>	\$4,247,579	\$31,775,744	\$4,979,654	<b>\$41,002,978</b>

Motion picture production companies reported to the Virginia Film Office within the Virginia Tourism Authority that they employed 3,245 individuals with respect to Motion Picture Production Tax Credits claimed during Calendar Year 2019. Of these individuals, 77 percent (2,504 employees) were Virginia residents. Companies that claimed the Motion Picture Production Tax Credit during Calendar Year 2019 filmed in the cities of Richmond and Hopewell; the counties of Henrico and Powhatan; and the towns of West Point and South Hill.

Please contact me if you have any questions.

Sincerely,



Craig M. Burns  
Tax Commissioner

CMB/rwc

c: The Honorable Aubrey L. Layne, Jr., Secretary of Finance  
Mr. Andy Edmunds, Virginia Film Office