



COMMONWEALTH of VIRGINIA

Department of Taxation

October 25, 2021

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

Dear Chairmen:

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.

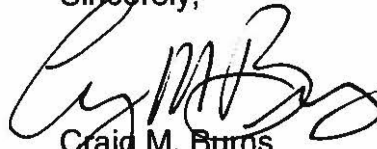
During Calendar Year 2020, taxpayers claimed a total of \$13 million in Motion Picture Production Tax Credits. The Motion Picture Production Tax Credit can be claimed for qualifying expenses, which include goods and services leased or purchased, compensation, and wages. Based upon data from the Virginia Film Office within the Virginia Tourism Authority, the motion picture production companies that claimed credits during Calendar Year 2020 incurred a total of \$76,727,140 in qualifying expenses. These qualifying expenses included \$59,250,535 worth of compensation, \$9,606,384 in goods purchased or leased, and \$7,870,222 in services obtained by such motion picture production companies. The chart below shows a breakdown of tax credits claimed during Calendar Year 2020 by the type of expenses and amount of such expenses.

Information Related to Credits Claimed During Calendar Year 2020				
Total Credits Claimed	Total Services	Total Compensation	Total Goods	Total Qualifying Expenses
\$13,000,000	\$7,870,222	\$59,250,535	\$9,606,384	\$76,727,140

Motion picture production companies reported to the Virginia Film Office within the Virginia Tourism Authority that they employed 4,969 individuals with respect to Motion Picture Production Tax Credits claimed during Calendar Year 2020. Of these individuals, 74 percent (3,672 employees) were Virginia residents. Companies that claimed the Motion Picture Production Tax Credit during Calendar Year 2020 filmed in the cities of Hopewell, Norfolk, Petersburg, Portsmouth, Richmond, and Virginia Beach; the counties of Goochland, Henrico, and Powhatan; and the towns of Ashland, West Point, and South Hill.

Please contact me if you have any questions.

Sincerely,



Craig M. Burns
Tax Commissioner

CMB/jlof

C: The Honorable K. Joseph Flores, Secretary of Finance
Mr. Andy Edmunds, Virginia Film Office