



COMMONWEALTH of VIRGINIA

Department of Taxation

November 1, 2023

The Honorable Janet D. Howell
Co-Chair, Senate Finance and Appropriations Committee

The Honorable, George L. Barker
Co-Chair, Senate Finance and Appropriations Committee

The Honorable Barry D. Knight
Chairman, House Appropriations Committee

The Honorable Roxann L. Robinson
Chairman, 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 specific taxpayers, returns, and items.

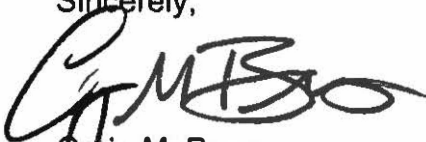
During Calendar Year 2022, a total of \$4.5 million in Motion Picture Production Tax Credits was claimed. The Motion Picture Production Tax Credit can be claimed for qualifying expenses, which include goods and services leased or purchased, compensation, and wages. Based upon data from the Virginia Film Office within the Virginia Tourism Authority, a total of \$19,945,729 in qualifying expenses was claimed in credits during Calendar Year 2022. These qualifying expenses included \$13,486,243 worth of compensation, \$3,155,612 in goods purchased or leased, and \$3,303,874 in services. The chart below shows a breakdown of tax credits claimed during Calendar Year 2022 by the type of expenses and amount of such expenses.

Information Related to Credits Claimed During Calendar Year 2022				
Total Credits Claimed	Total Services	Total Compensation	Total Goods	Total Qualifying Expenses
\$4,500,000	\$3,303,874	\$13,486,243	\$3,155,612	\$19,945,729

According to the Virginia Film Office within the Virginia Tourism Authority, 501 individuals have been reported as employed with respect to Motion Picture Production Tax Credits claimed during Calendar Year 2022. Of these individuals, 62 percent (309 employees) were Virginia residents. The locations of sites used in a production for which a Motion Picture Production Tax Credit was claimed during Calendar Year 2022 were the cities of Hopewell, Petersburg, and Richmond and the counties of Charles City, Henrico, and Powhatan.

Please contact me if you have any questions.

Sincerely,



Craig M. Burns
Tax Commissioner

CMB/ALS

c: The Honorable Stephen E. Cummings, Secretary of Finance
Mr. Andy Edmunds, Virginia Film Office