



**2013**

Eno River Media proposes the following actions be adopted by the North Carolina Legislature this session. Each can be adopted independently of the other actions. Each action strengthens the entire Film and Entertainment Grant Program. Taken together, this would present a very viable program to filmmakers in North Carolina and the United States.

The current North Carolina Film Incentive is due to expire on December 31, 2014. It is evident there is a need for an alternative to maintain and grow North Carolina's film industry.

It has been inherently difficult to assess the current incentive's effectiveness due to a lack of identifying metrics; consequently this has yielded conflicting information from the sources responsible for studying the incentive's effectiveness. So the question arises, is the incentive worth the expense? Several sources have gauged it's effectiveness with wildly differing results, causing the opposition and the proponents to embrace the reports that support their initial view of the NC film incentive. The current program does not appear to reap benefits that justify it's expense of over \$160 million since it's introduction. Therefore, discussions have been opened to alternative incentive concepts.

Eno River Media Productions has brought forward a concept that will empower the NC film industry, its associates, and interstate counterparts while expanding the industry in the state of North Carolina and providing solid metrics to state regulators. The key points of the proposal are below:

**1. Qualification of Media Production Firms**

- A set of criteria developed that will allow state regulators to qualify certain businesses in the state as media production firms that are eligible to participate in the proceeding programs

**2. Incentivised Reimbursements based on Jobs Created**

- Qualified Media Production firms will received an incentivised reimbursement on a percentage of income taxes paid by their employees
- An initial percentage will be set for the incentive based on criteria to be devised. Year to year if the company acquires new full-time employees the incentive they receive will increase based on the **number** of W2s and 1099s filed and **not** based on any total fiscal number.

**3. Incentivised Reimbursements for taxes paid on services rendered by Qualified Media Production Agencies**

- Finally, **external agencies** composing a production in North Carolina will receive an incentivised rebate on taxes paid while enlisting the services of firms that qualify as media production agencies.
- Financiers based in North Carolina itself will receive a **slightly superior incentive** than financiers based outside the state and nation.

This program would greatly increase the incentive for North Carolina companies to create full time jobs in our state while maintaining accommodations for external interests who wish to compose their production in North Carolina. In addition, our proposal would provide solid metrics reflecting the efficiency of funds allocated to said initiative while minimizing the cost in scenarios where the incentive is not as effective as we would like it to be. North Carolina would be responsible for minimal output, Incentives would only be substantial in cases where jobs and opportunities are being provided for fellow North Carolinians; an expense which most would agree is a more than worthy investment.