

Fiscal Estimate - 2025 Session

☒ Original ☐ Updated ☐ Corrected ☐ Supplemental

LRB Number 25-2456/1	Introduction Number AB-0231
Description creating a tax credit for expenses related to film production services and for capital investments made by a film production company, granting rule-making authority, and making an appropriation	
Fiscal Effect State: <div style="display: flex; flex-wrap: wrap;"><div style="width: 33%;"><input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input checked="" type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations</div><div style="width: 33%;"><input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues</div><div style="width: 33%;"><input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <div style="display: flex; justify-content: space-around;"><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</div><input type="checkbox"/> Decrease Costs</div></div> Local: <div style="display: flex; flex-wrap: wrap;"><div style="width: 33%;"><input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate <div style="display: flex; justify-content: space-between;"><div>1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</div><div>2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</div></div></div><div style="width: 33%;"><div style="display: flex; justify-content: space-between;"><div>3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</div><div>4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</div></div></div><div style="width: 33%;">5. Types of Local Government Units Affected <div style="display: flex; justify-content: space-between;"><div><input type="checkbox"/> Towns <input type="checkbox"/> Counties <input type="checkbox"/> School Districts</div><div><input type="checkbox"/> Village <input type="checkbox"/> Others <input type="checkbox"/> WTCS Districts</div><div><input type="checkbox"/> Cities</div></div></div></div>	

Fiscal Estimate Narratives

TOUR 5/7/2025

LRB Number	25-2456/1	Introduction Number	AB-0231	Estimate Type	Original
Description creating a tax credit for expenses related to film production services and for capital investments made by a film production company, granting rule-making authority, and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

2025 Assembly Bill 231 (AB 231) would create a State Film Office (office) under the Wisconsin Department of Tourism (department) and introduces income and franchise tax credits aimed at incentivizing film, television, and advertisement production in Wisconsin.

The office would be established under the department with 3.00 FTE permanent positions authorized under s. 20.380 (1) (a), Wis. Stats., General program operations (numeric 10100). \$199,300 GPR in FY26 and \$254,000 GPR in FY27 would be provided in expenditure authority under the same for staff salaries, fringe benefits, and personnel-variable supplies and services. The office would be responsible for administering the application, accreditation, and compliance processes and for promulgating rules for the tax credit program. It would also be responsible for developing branding for the state and the office for use in film credit acknowledgement, which participating film companies would be required to include in their accredited productions. The director of the office would be appointed by the Secretary of Tourism.

The tax credit program would take the form of two categories of refundable tax credits.

The first is a "film production services credit", which may be claimed for any of the following: (a) 30% salary or wages paid by the claimant to employees who were state residents at the time and for time spent working directly on the production, not to exceed the first \$250,000 of salary or wages paid to each employee (excluding that of the two highest paid employees where budgeted production expenditures are \$1,000,000 or more); (b) 30% of production expenditures, which are defined in the bill, incurred in Wisconsin; (c) an amount equal to the sales and use tax applied in the purchase of depreciable personal property and taxable services used directly in producing an accredited production.

The second is a "film production company investment credit", in which, for the first three taxable years the company is doing business in the state, it may claim an amount equal to 30% of expenditures toward the purchase of depreciable personal property and the acquisition, construction, or repair of real property not previously owned by the claimant prior to December 31, 2025.

The office may not allocate more than \$10,000,000 in film production and investment tax credits in each fiscal year.

Beginning in 2027, the office would additionally be responsible for submitting an annual efficiency and performance report to the legislature no later than April 30 each year, specifying the number of persons who submitted tax credit applications in the previous year and the amount of the tax credits allocated to each applicant. The report would also be required to provide suggestions for improving the efficiency of the program. The accreditation program administered by the office would also be subject to a biennial performance evaluation by the Legislative Audit Bureau.

In the event that credits claimed exceed the company's tax liability, the Department of Administration would be responsible for issuing a refund.

The department estimates that the personnel and expenditure authority resources provided under the proposed legislation would be sufficient to administer the program as outlined in the bill and therefore does not anticipate fiscal impact unable to be absorbed beyond what would be provided.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2025 Session

Detailed Estimate of Annual Fiscal Effect

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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$218,000		\$
(FTE Position Changes)	(3.0 FTE)		
State Operations - Other Costs	36,000		
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$254,000		\$
B. State Costs by Source of Funds			
GPR	254,000		
FED			
PRO/PRS			
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
	Increased Rev	Decreased Rev	
GPR Taxes	\$	\$	
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues	\$	\$	
NET ANNUALIZED FISCAL IMPACT			
	<u>State</u>	<u>Local</u>	
NET CHANGE IN COSTS	\$254,000	\$	
NET CHANGE IN REVENUE	\$	\$	
Agency/Prepared By	Authorized Signature	Date	
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