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Press Release

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NEW PHOENIX CENTER STUDY FINDS THAT GEORGIA'S FILM TAX CREDIT HAS A LARGE, POSITIVE RETURN

Georgia's investment in the film tax credit has a generous return to the state and has made the state a power player in the movie and television production industry

WASHINGTON, D.C. — Several states offer tax incentives to attract television, video and film productions to their states. Georgia's tax program is one of the more attractive and successful. Georgia is today one of the entertainment industry's power players. Yet, two recent reports on the benefits and costs of Georgia's tax incentive program come to different conclusions on its efficiency, though the two reports employ entirely different concepts of benefits.

In a new analysis released today entitled *Economic Impacts of Georgia's Film Tax Credit*, Phoenix Center Chief Economist Dr. George S. Ford uses content from both reports to construct a plausibly causal and independent estimate of the return of Georgia's tax program. Three measures of the return-on-investment of the program are calculated, two from these prior reports and a third based on the Compensation Principle, which requires that the total net benefits of a policy change are positive across all affected groups. Dr. Ford's analysis indicates that Georgia's film tax credit has a large, positive return.

"Over the last decade, the movie and television production industry in Georgia has experienced remarkable growth—a direct result of its film tax credit. If the goal of the tax credit is to increase jobs and economic activity, then Georgia's film tax credit is a home run," says study author and Phoenix Center Chief Economist Dr. George S. Ford. "My conservative estimates indicate that Georgia's investment in the film tax credit has a generous return to the state and has made the state a power player in the movie and television production industry."

A full copy of PHOENIX CENTER POLICY BULLETIN NO. 66, *Economic Impacts of Georgia's Film Tax Credit*, may be downloaded free from the Phoenix Center's web page at: <https://www.phoenix-center.org/PolicyBulletin/PCPB66Final.pdf>.

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