
Kitzhaber proposes increased investment in local film productions

Opponents argue current tax credit program is inefficient, propose a direct funding model

By [Vinh Tran](#)

Vanguard staff

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Amid the announcement that television shows such as TNT's "Leverage" and IFC's "Portlandia" have committed to another season in Oregon, Director of the Oregon Center for Public Policy (OCCP) Chuck Sheketoff is urging Legislature to end the current funding model for film and television productions in 2011.

Sheketoff and his group are at odds with Governor John Kitzhaber, Portland Mayor Sam Adams and several film industry members, all of whom had expressed interest in increasing funding by 167 percent for movies and television shows shot in Oregon.

Sheketoff suggested a direct funding model in which money would be distributed from the state's General Fund instead of the current model, in which the state provides a \$100 tax credit for every \$90–\$95 that a taxpayer donates to the Oregon Production Investment Fund.

If Kitzhaber's proposal is passed, the investment fund (which is set to expire this year) would be extended, and the tax credit program increased.



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Boosting Portland's film industry: Director and Executive Producer of "Leverage," a show filmed here in Portland, has utilized the tax credit program.

In a recent paper put out by the OCPP, Sheketoff asked a simple question: Would you pay someone \$100 to buy a \$90 item for you?

Several people involved in the film and television industry disagree with the OCPP.

Executive Director of the Governor's Office of Film and Television Vince Porter, whose job is to market Oregon to filmmakers, said the problem with a direct funding model is that it's not as reliable due to the fluctuating budget.

"When I have a conversation with filmmakers, we need to know what is available to offer them," Porter said. "The current structure gives us the level of certainty where, as under a direct funding model, we just don't know what is available every year."

According to Sheketoff, Porter shouldn't have any concerns because if the film industry brings in revenue to the state, it will continue to get funded. Otherwise, its budget would be cut.

Sarah Andrews-Collier, chair of the Department of Theater Arts at Portland State, said that the investment fund is not about providing funding for big-budget Hollywood productions—such as "Leverage" and "Twilight"—but also to local filmmakers.

"Unlike people like James Cameron, who is successful enough to fund his own movie, many documentary and local filmmakers have to ask for donations from people," she said.

Porter said at least \$350,000 per year is designated for local productions from the investment fund, and two recent local productions—"Wake Before I Die" and the "House of Last Thing"—have taken advantage of the rebate.

Andrews-Collier said the program benefits the economy through the residual dollars that production companies spent while shooting in Oregon. She said the program is not merely economical, but also helps shape Oregon's film industry by beefing up the state's résumé, which is marketed to filmmakers.

Referring to Louisiana, which provides one of the most competitive incentive programs in the country, Andrews-Collier described how filmmakers come to a state not just for the incentives, but also for the resources it offers. These resources include the availability of a sound stage, talent and studios.

Porter said this is the case for the first installment of "Twilight," which was shot in Portland. However, the producers then moved it to Vancouver, Canada for the second installment and Louisiana for the third to save on production costs.

"If you have everything already set up, they are more likely to come here, and when we bring them here, we build relationships," Andrews-Collier said. "We have the talent here, but they're often in the background because filmmakers usually bring the people they have worked with from Los Angeles here."

Aside from the funding structure, Shekentoff also said the program inherently benefits wealthy citizens because only those with access to resources know about it, though it's open to anyone that can take advantage of the tax credit.

"If you walk around Portland State and ask, you'll find that not many people are [aware] of it," Shektoff said. "That's because only the wealthy folks, who go to their accountant and their lawyer instead of their local tax preparer, knew about it."

According to the OCPP, only 245 people out of 1.6 million Oregon taxpayers claimed the credit; the average donation amount in 2008 was \$17,749.

Porter said that the tax benefit also provides jobs.

Harold Phillips, a local actor with 20 years of experience in the industry and writer of the blog OregonFilmandTVdollars.com, said he is able to find more work when filmmakers are interested in Oregon. Currently, Oregon has a lot to offer filmmakers, and the purpose of his blog is to provide information about the investment fund and its benefits.

According to Andrews-Collier, one of those advantages is that Oregon's diverse geography allows filmmakers to recreate any city and location.

Both Phillips and his wife have been involved in large film productions: "Leverage" and "Twilight," respectively.

"I like to say that 'Twilight' pays for our roof and 'Leverage' pays for our floor," Phillips said. "This is the time when we need to put people to work."

However, according to Sheketoff, that residual dollar often touted by the film industry is fickle at best.

"The jobs that are created from these productions are not permanent, and the tax revenue with all of the [residual dollars spent in Oregon] doesn't pay for the cost of the program," Sheketoff said.

Sheketoff said his group is hoping that the governor will let the current incentive program expire at the end of 2011.

Recently, the governor has expressed interest in continuing funding for film production with a proposed budget that includes a tax credit extension and an additional \$17.1 million for the fund.

At the Governor's Office for Film and Television, Porter released a tally sheet that shows at least four new projects are committed to shooting in Oregon in 2011.

All this could mean good news for veteran actors like Phillips.

Commenting on whether or not Kitzhaber's proposal to extend funding to the investment fund will pass, Phillips said, "In 2011, a [local] actor can work in a commercial in one week and a movie the next." ■