The Michigan Film Production Credit took effect in April of 2008. It was designed to attract production companies and promote the growth of the film industry in Michigan.

The incentive is available to “eligible production companies,” that are “in the business of producing qualified productions” spending at least $50,000 in the state. Game shows, talk shows, television news programs, political or product advertising, and sporting events are not eligible.

In 2007, about $2 million was spent in TV, film, and digital media production in Michigan. In 2008 (the year the incentive passed), spending increased to $125 million. In 2010, it rose to $293 million. In 2011, the single biggest project yet—the title of which has not been released—was submitted to the film office with a budget of $104 million.
How does the incentive work?

The incentive includes two types of project expenditures: compensation payments to above-the-line and below-the-line personnel, and direct production expenditures. Above-the-line personnel include those who guide the creative and business side of the production, such as producers, directors, and writers. The production receives a 40% credit on the salaries of these individuals, regardless of whether or not they reside in Michigan. Below-the-line personnel include those who work on the technical side of the production, including sound engineers, costume designers, and film editors. In their case, the production receives a 40% credit for a Michigan resident and a 30% credit for a non-resident. For a direct product expenditure to qualify for a standard 40% credit, it must be made in the state, attributable to the production, and subject to Michigan taxation. Expenditures included are food, lodging, building rentals, travel fees, equipment, and contracted services. An extra 2% credit is available if the production chooses to film on location in one of 136 core communities selected by the state film office. The goal is to benefit Michigan-based businesses.

Governor Snyder’s Plan

Governor Rick Snyder and legislative leaders announced a tentative agreement for the 2011-12 fiscal year that caps the film incentive at $25 million, beginning in October 2011. Michigan will continue to offer an incentive for filming in the state, but specific details have not yet been released. In 2010, the state film office credited more than $115 million; therefore, the proposed reduction in the cap is expected to dramatically curtail the film industry’s activities in Michigan. Production companies strongly consider the incentives offered by states in which they film. As a result, opponents of these changes argue that it is advantageous for Michigan to maintain the most lucrative incentives in the country in order to attract large-scale productions. Since the announcement, films starring Robert Downey, Jr. and Christian Bale have moved production from Michigan to other states.

Pros and Cons of the Film Incentive

Pros: A February 2011 report by Ernst and Young (Economic and Fiscal Impacts of the Michigan Film Tax Credits) stated that 2010 film productions spent over $503 million on Michigan businesses and created 3,860 new jobs for residents. Moreover, for every $1 of the tax credit, $5.94 in new sales for state businesses was generated.

Cons: Building an industry infrastructure and training Michigan residents to fill those jobs takes time. The average film production is only 90 days with residents employed about 28 of those days. Ultimately there is no requirement to spend the funds generated by the credit within the State of Michigan.
“Michigan is the unlikely new star of U.S. cinema.” – *The Telegraph*, a British newspaper

2010 film productions spent over $503 million on Michigan businesses and created 3,860 new jobs for residents. – *Ernst and Young*, February 2011 Report

---

**Ethan Bordman** (´03) — Entertainment Lawyer

Ethan Bordman represents authors, screenwriters, producers, directors, and actors, guiding them through the legal and business matters they face in bringing their dreams to the screen. After graduating from UDM Law, he earned an LL.M. in Entertainment Law from the University of Westminster in London and an LL.M. in International Sports Law from Anglia University in Cambridge, England.

Before starting his practice, Ethan worked for the American Federation of Television and Radio Artists (AFTRA), a performers union, on projects such as “Gifted Hands,” starring Oscar winner Cuba Gooding, Jr. Ethan holds an M.B.A. from Wayne State University and is the former chair of the Arts, Communications, Entertainment, and Sports section of the Michigan State Bar. He practices entertainment law in Michigan, New York, and Illinois.

---

The Michigan Film Incentive covers three main areas of entertainment: film, television, and digital media.

Though it is often referred to as the film incentive, it includes television productions including TV series, miniseries, and music videos; and digital media projects including video games, webisodes, and digital animation.

---

**Movie and television projects filmed in Michigan over the last three years**

- **Prince of Motor City**
  - TV pilot, filmed at UDM McNichols campus

- **Conviction**
  - starring Oscar winner Hilary Swank

- **Up In the Air**
  - starring Oscar winner George Clooney

- **You Don’t Know Jack**
  - TV movie starring Oscar winner Al Pacino

- **Gifted Hands**
  - TV movie starring Oscar Winner Cuba Gooding, Jr.

- **Gran Torino**
  - directed by and starring Oscar winner Clint Eastwood

- **Detroit 1-8-7**
  - TV series starring Emmy winner Michael Imperioli

---

and created 3,860 new jobs for residents. – *Ernst and Young, February 2011 Report*