

N.M. film tax credit delivers strong economic returns

Written by Staff Reports

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SANTA FE — The New Mexico Film Office announced the updated economic impact study results demonstrating the significant economic return on the investment generated by the New Mexico Film Production Tax Credit on Dec. 28

The study, completed by the New Mexico Film Office, serves as an update from the original data conducted by Olsberg · SPI. It found that the tax credit produced an average economic ROI of 7.77 for the state from fiscal year 2020 to fiscal year 2023. This means that for every dollar invested in the tax credit, the state received \$7.77 in economic benefit.

Key findings include:

Total Economic Output: The tax credit generated an estimated \$3.8 billion in total economic output in New Mexico from FY2020 to FY2023. Total economic output includes direct, indirect, and induced impacts, which account for such things as uplift activity in the supply chain and induced effects from production wages.

High-Paying Job Creation: The tax credit supported approximately 8,000 full-time equivalent jobs in the state. In FY2023, the median hourly wage for full-time New Mexico crew members was \$35.51 per hour, whereas the median wage in New Mexico for all industries was \$19.19 per hour, and the New Mexico minimum wage as of 2022 is \$12 per hour.

Production Growth: The overall number of productions accessing the incentive grew from 78

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in FY2020 to 109 in FY2022, and despite the strike interruptions, it still finished at 83 in FY2023. Along with this production increase, the average New Mexico spend per project in FY2020 was \$3.8 million. By fiscal year 2023, it reached \$9.7 million, indicative of larger, more robust productions choosing New Mexico as their location.

The study also found that the tax credit positively impacts rural communities in New Mexico. Rural production spending increased from \$4.5 million in FY2020 to \$6.5 million in FY2021, reached a new record of \$49.5 million in FY2022, and even hit \$21.2 million amidst industry strikes in FY2023.

“This study provides clear evidence that the New Mexico Film Production Tax Credit is a valuable investment for our state,” Amber Dodson, director of the New Mexico Film Office, said. “The tax credit generates significant economic benefits. It supports 8,000 jobs, high wages, and expansive investment in our businesses and communities.”

NMFO is committed to working with the film industry to continue to grow the economic impact of film production in New Mexico. The state continues to offer a competitive tax credit program, oversee and support workforce development and training programs for New Mexicans, and promote the state as a premier destination for film and television production.

“We’ve successfully worked with the New Mexico Film Office and Netflix to create two cohorts for production accounting workshops,” Mark Duran, senior film resource manager at Central New Mexico College, said. “Someone with a background in accounting, education, or work experience could take this workshop and get trained to know what’s applicable in that field for working in the film industry.”

The New Mexico film industry is a vital economic engine that pumps hundreds of millions of dollars each year into local communities across the state. One of the biggest beneficiaries of this cinematic boom is New Mexico’s small business owners. From mom-and-pop cafes to family-run hotels, the film industry provides a much-needed boost to local businesses. Productions need food, lodging, transportation, and various other services, and they turn to local businesses to fill many of these needs.

“The New Mexico Film tax credit has been enormously important in bringing a lot of jobs to

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small communities, and we believe that as long as the program continues, we will continue to grow job opportunities, not just for hotels and restaurants, but they are hiring hundreds of people in small communities,” New Mexico Entrepreneur Allan Affeldt stated. “And it’s an exciting job. The net benefit to communities like Las Vegas is enormous.”

The state’s competitive film tax credit, diverse landscapes, and commitment to talent development translate to a thriving ecosystem for local artists, technicians, and filmmakers, who are finding more opportunities than ever to build successful careers right here in their own state.

Membership data provided by IATSE 480 shows consistent growth as well. Membership has grown to approximately 1,800 members, with approximately 800 additional on their overflow list. They are currently adding roughly 30 additional people per month. In fiscal year 2023, nearly 82% of those crewing New Mexico film, television, and digital media projects are New Mexico residents.

“One of my big things when I started was, ‘Where are all the crew?’” local actor Ryan Begay said. “It’s been steady and growing. Now, there are local grips out there and hair and makeup. Now, you have a props department, and everyone is starting to find their space, including in front of the camera. Actors, writers, and directors are coming up.”

While many states offer similar tax breaks, New Mexico’s Film Production Tax Credit has a distinct advantage: flexibility. Unlike other programs that focus solely on direct production spending, New Mexico recognizes the value of every aspect of filmmaking, from the story’s conception to the final edit. With a film incentive that strategically supports the hiring and development of local talent and crews and sourcing from local businesses, New Mexico has become a beacon for both aspiring and consummate filmmakers. It will continue to be a force to be reckoned with in the global film and television landscape.

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