



HB25-1005: Colorado Film Festival Incentive Tax Credit

Speaker McCluskie + Representative Titone // Senator Amabile + Senator Baisley

Background:

- Colorado is a named finalist for the new home of the globally-iconic Sundance Film Festival. If successful, the first Colorado-based Sundance Film Festival would take place in 2027. Colorado is competing with Cincinnati, OH and Salt Lake City/Park City, UT. A decision is expected in Spring 2025.
- Colorado has a number of competitive advantages in the effort to recruit the Sundance Film Festival to Boulder, including our world renowned Rocky Mountain landscapes, well established creative community, strong hotel bed base, robust domestic and international connectivity through Denver International Airport, and pending new state investments in the Colorado film incentive tax credit.
- Despite many competitive advantages, Colorado needs to leverage a unique, long-term incentive targeting a large film festival that promises to deliver unique and extraordinary regional economic impact. A legislative strategy to create and effectively deploy this incentive will help ensure that Colorado outperforms the other states vying to become the new home of the Sundance Film Festival.

Legislation:

- HB25-1005 will leverage a new film festival incentive tax credit to specifically target and recruit a large, globally prominent film festival that will deliver extraordinary regional economic impact. Additionally, this bill will also leverage \$0.5M annually to support smaller, existing local film festivals that are a part of Colorado’s growing film festival ecosystem.
- This credit only goes into effect IF a globally prominent film festival with a verifiable record of attracting over 100,000 in-person ticket sales and tens of thousands of out-of-state visitors relocates to Colorado by January 1, 2026.
- This bill will create the new Colorado Film Festival Incentive Tax Credit and leverage refundable tax credits.
- Major film festivals like the Sundance Film Festival require at least a 10 year contract when choosing a new location. Thus, Colorado will need to reserve the credit annually for 10 years as long as the incentivized festival operates in Colorado during this period.

Economic Impact of Sundance Film Festival // 2023 Key Economic Impact:

- 86,824 total festival attendees
- 21,400 out of state festival attendees
- \$97M total spend by out of state attendees
- 1,608 jobs for Utah residents
- \$63 million in wages for Utah residents
- \$118.3M contributed to Utah GDP

| Festival Year | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | | TOTAL |
|-----------------------|---------|---------|--------|--------|--------|--------|--------|--------|--------|---------|---------|---------------------|
| Calendar Year | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | |
| Major Festival Credit | \$0M | \$4M | \$4M | \$5M | \$3M | \$3M | \$3M | \$3M | \$3M | \$3M | \$3M | \$34M |
| Local Festival Credit | \$0M | \$0.5M | \$0.5M | \$0.5M | \$0.5M | \$0.5M | \$0.5M | \$0.5M | \$0.5M | \$0.5M | \$0.5M | \$5M |
| Est. State Revenue** | \$3.65M | \$4.2M | \$4.8M | \$5.5M | \$5.7M | \$5.7M | \$6.1M | \$6.2M | \$6.4M | \$6.65M | \$0M | \$54.9M |
| Net State Revenue | \$3.65M | -\$0.3M | \$0.3M | \$0M | \$2.2M | \$2.2M | \$2.6M | \$2.7M | \$2.9M | \$3.15M | -\$3.5M | \$15.9M (net total) |

*Source: Sundance Film Festival, Utah Economic Impact Report (2019, 2020, & 2023)

**Estimated State revenue shown above assumes a moderate scenario of out of state visitation, modeled off of the Sundance Film Festival’s realized out of state visitor totals and year-over-year rate of increase. State revenue estimates are derived from the Sundance Film Festival’s economic impact report data, and applied to Colorado state sales tax rate.