



Applications for California's Film and TV Tax Credit Program Rise 83% Over 2011

Hollywood, Calif. -- June 4, 2012 -- On Friday, June 1st, the California Film Commission began accepting applications for the next \$100 million round of tax credits provided annually by the state's Film & Television Tax Credit Program, which was enacted in 2009 to help curb runaway production.

The number of applications submitted this year on the first day of the application period rose 83 percent to 322, compared to 176 applications last year. At the same time, the total number of projects selected to receive a share of the \$100 million in annual tax credits remained nearly steady at 28, from 27 projects last year*. Tax credits are awarded to each film or TV project that is selected based on the project's budget. Once the total sum of tax credits allocated reaches \$100 million, any additional projects are placed on a waiting list.

Applications were accepted last Friday (June 1st) from 9:00 am - 3:00 pm. At 3:30 pm, Film Commission staff members, with assistance from a California Highway Patrol officer, conducted a lottery to select projects at random. Each application was given a number between 1 and 322, and the credits were then doled out in that order until all \$100 million was assigned.

"Once again, the number of applications we received on the first day of the application period far exceeded our expectations," said California Film Commission Executive Director Amy Lemisch. "It's clear that despite fierce competition from other states and nations, the industry is eager to work at home in California."

Lemisch went on to explain how the industry has embraced California's tax credit program, as demonstrated by year-to-year growth in the number of applications submitted. Prior to this year's 83 percent increase, the number of applications received last year (on June 1, 2011) more than doubled to 176, compared to 70 the prior year.

The breakdown in type of projects selected this year is as follows**:

- Feature Films - Studio: 1 project (3.5%)
- Feature Films - Independent: 9 projects (32%)
- TV Series: 10 projects (36%)
- Relocating TV: 2 (7%)
- MOW - Independent: 5 (18%)
- Mini-Series Independent: 1 (3.5%)

The dispersion among independent and studio projects was split almost equally, with 46.5 percent of the projects studio-based, and 53.5 percent independent.

Based on information provided by each applicant, it is estimated that these projects will spend more than \$683 million in California, including nearly \$265 million in qualified wages. They will employ an estimated 2,900 cast members, 2,800 crew members and 57,000 extras/stand-ins (calculated in "man-days").

The California Film Commission will continue to accept tax credit program applications throughout the fiscal year for placement on the waiting list. Those on the list will be accepted only after credits are freed up by other projects that withdraw from the program due to scheduling delays or other production-related issues.

"Many projects currently on the waiting list will ultimately receive credits," Lemisch added.

Prior to the current fiscal year (which began June 1), projects approved since the program went into effect in 2009 have been responsible for \$2.9 billion in direct spending within the state, including \$1 billion in wages paid to "below-the-line" crew members.

About the California Film & Television Tax Credit Program

The California Film & Tax Credit Program was enacted in February 2009 as part of a targeted economic stimulus package to increase production spending, jobs and tax revenues in California. Administered by the California Film Commission, the six-year, \$600 million program is targeted specifically at the types of productions most likely to leave California due to incentives offered by other states and countries. More information about the program is available at <http://film.ca.gov/Incentives.htm>.

About the California Film Commission

The California Film Commission (CFC) enhances California's status as the leader in motion picture, television and commercial production. A one-stop office for filmmakers, the Commission supports productions of all sizes and budgets. Services include film and TV tax credits, an extensive digital location library, free online permitting, low cost use of state properties as shooting locations, and production assistance. More information is available at <http://www.film.ca.gov>.

* While 27 projects were selected via the lottery in 2011, a total of 74 projects ultimately received tax credits as part of last year's allocation. This was due to the number of smaller independent projects that went from the waiting list to receive credits, as larger projects (with larger budgets and therefore larger tax credit allocations) withdrew from the program.

** Applications for this year's tax credit allocation are still being reviewed. Program statistics are subject to change.

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