

CALIFORNIA FILM & TELEVISION TAX CREDIT PROGRAM

APPLICATION INSTRUCTIONS May 2014

*Please read the program **Guidelines** for a more complete explanation of eligibility, requirements, and terminology prior to filling out the Application Form.*

When retrieving form from website, PDF must be saved first on computer drive to save any changes. Open PDF from computer drive, type, and then save. If form is opened through PDF reader only, typed in data will not be saved. In order successfully save data on the Application Form, please use Adobe Acrobat 8 version.

Section 1: APPLICANT INFORMATION

1. **Production Title:** Enter the name of your production.
2. **Date:** Fill in approximately the date the application will be submitted.
3. **Applicant Entity or Individual/Title:** Determine what entity or individual will receive the tax credit certificate. The CFC recommends consulting a tax advisor regarding the structure of the company applying for the tax credit. Whatever entity or individual is listed here, a corresponding federal tax ID # or SS # (for an individual) must appear in the Taxpayer ID # box. All independent productions have the ability to sell the credits to a third party who can utilize the tax credits.
4. **Production Company Name:** If the name of the company is different from the Applicant name, put the company name here.
5. **Applicant Address:** Enter the address of the applicant – where the Credit Allocation Letter will be mailed.
6. **Taxpayer ID:** The Federal Tax ID of the Applicant (if a company) or the Social Security # of the Applicant (if individual). If you do not yet have a taxpayer ID, you may put “Applied For” or “Pending.” Be advised that projects will not be accepted into the tax credit program without a taxpayer ID and lack of one may delay issuance of Credit Allocation Letter.
7. **Seller’s Permit:** This applies primarily to entities that have retail businesses who may be utilizing the tax credits against their state sales tax liability. If this is not applicable to your company, leave it blank.
8. **Type of Entity:** Indicate Applicant’s company type.

Section 2: Production Information

- A. **Primary Production Company/Studio Representative:** If the company name, address, etc is the same as the applicant, you may check the box on the right in the grey area. However, please write down the name and contact information of the person who is the primary contact – the person the film commission can contact with respect to any questions or notices regarding your application and the program. If the production company is NOT the applicant, fill in all the boxes.
- B-J. **Producer/Line Producer/UPM/Accountant/Etc:** Fill in whatever positions you currently have filled for B-J listings. If you do not have all positions filled, leave blank.
- K. **Payroll Service:** Fill in the name of the payroll service you will be using if known; if not, leave blank.
- L. **Distributor:** If you have a distributor, please fill in the information; distribution is not a requirement of the program. If you do not have one, leave it blank.

- M. **CPA Firm:** If you have identified the CPA firm who you would engage to perform your final audit, should you be accepted into the program, please indicate the name of the firm, and the additional information requested. Only CPAs who have completed an orientation with the CFC are permitted to perform Agreed Upon Procedures for the tax credit program (a listing of firms that have completed the orientation is available upon request). If you do not yet have a CPA firm, leave blank.

Section 3: Eligibility Determination

- A. **Type of Production:** Check the box that describes the type of production; if you are an Independent Film, check the box indicating your project qualifies as an independent production, this includes MOWs and Miniseries - please refer to the Guidelines, Section C5 for a definition of "Independent Film." If you are an independent production, you must fill out Section 3B.
1. **New TV Series:** Please indicate the # of series episodes included in your application. Do not include a TV pilot as one of your episodes, as pilots are not qualified productions.
 2. **Relocating TV Series:** Please indicate the # of episodes previously shot in another state. You must shoot a minimum of 6 episodes outside California to be considered a relocating series. Indicate the # of episodes included in the season for which you are applying.
- B. **Independent Film Declaration:** If your project qualifies as an Independent Film, please list the names of all owners and % of ownership in the spaces provided and fill out the attestation. Attach a separate listing if necessary.
- C. **Production Schedule:** Please fill out as accurately as possible; however, it is not a problem if the start date changes - as long as you begin principal photography within 180 days upon acceptance in the program. If you do not have a release date, leave it blank.
- D. **Principal Photography Days:** Please list the # of principal photography days in California, outside of California, and outside of the 30 mile studio zone, if known. If you do not know where exactly outside of the Los Angeles studio zone you may be filming, state "TBD." Include any known 2nd unit/vfx/stunt unit days where indicated. Indicate the name of any foreign locales in which you may also be filming. Figure out your percentage of total California principal photography days against your total project principal photography days. One of the eligibility tests for the program is filming at least 75% principal photography days in California.

Section 4: Financing Sources

List each source of financing, the amount of financing, and the percentage. *You must have at least 60% of your financing in order to be eligible for the tax credit program.* California tax credits may be figured as part of your financing but not part of the 60% needed to be eligible for the tax credit program. If you have more than 60% of the financing, indicate as such. **Evidence of financing must be included** with your application in the form of bank statements, brokerage statements, contracts, and any other form of documentation that evidences that the funds are committed and available. *Inability to evidence this financing will cause your project to be removed from the queue.* Studio projects must submit a letter on letterhead listing the source of the financing for the production.

Section 5: Production Statistics

- A. **Labor Statistics for Instate Work:** Estimate your total # of cast members - how many are budgeted?; total # of “base” crew – the normal amount of staff and shooting crew employed on a typical day of principal photography; total extras/stand-ins based on your budgeted amount. These are strictly estimates and have no bearing on your eventual tax credit allocation.
- B. **Budget:** Enter the total amount of qualified and non qualified expenditures, including salaries and fringes, materials and sales taxes – that you estimate will be spent in California; this will be your entire budget if you are not prepping, shooting, or in post-production outside of California. Check the appropriate box indicating if 75% of your Total Production Budget (qualified and nonqualified spend) will be spent in the state. One of the eligibility tests for the program is spending at least 75% of your total budget in the state (if you do not qualify under the 75% principal photography day rule).

Section 6: Estimated Tax Credit Allocation

- A. **Qualified Expenditures:** Enter the amount of qualified wages (and fringes) and qualified non-wages as indicated by your submitted Qualified Expenditure Budget. Any additional qualified expenditure, such as a Completion Bond and/or Contingency, can be entered on line C. A bond fee and/or a contingency of up to 10% of your *qualified* expenditures are allowed. Total lines A-C on Line D.
- B. **Estimated Tax Credit Allocation:** Enter the amount from line “D”, multiply it by your correct eligible tax credit (25% for independent productions and relocating series, 20% all others) to equal your estimated allocation. Be sure to use the correct multiplier for your type of production.

Section 7: Required Materials Checklist

The CFC is now requiring all application documents be submitted electronically via a USB or CD, with the exception of the Application itself, which should also be submitted on hard copy. Please do not use the Application checklist – utilize the checklist provided on the website, which includes all application, interim, and final documentation. Do not email any documents; all documents must be submitted together. If the documentation is incomplete, you will be notified and given 5 business days to provide any missing documentation or the project may be removed from the queue.

PLEASE READ **SECTION “V” IN THE GUIDELINES** FOR AN EXPLANATION OF ALL SUPPORTING DOCUMENTATION. The Qualified Taxpayer (Applicant) or Authorized representative needs to sign the Application. Be sure to keep a copy for your records.

If all your questions have not been answered, please contact the tax credit program by calling (323) 860-2960 x110 or emailing incentiveprogram@film.ca.gov.

Thank you for your interest in the California Film & Television Tax Credit Program.