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## **Gov. Schwarzenegger Announces Film & Television Incentives to Generate \$2 Billion in Direct Spending**

*First Year of California Film & Television Tax Credit Program Succeeds in Creating and Retaining Tens of Thousands of Jobs*

Governor Arnold Schwarzenegger today announced that the *California Film & Television Tax Credit Program* that was a part of last year's budget agreement has achieved its desired goal of keeping scores of film and television productions in state – creating and retaining tens of thousands of jobs and generating spending in California. In its first year, the California Film Commission, which administers the Program, allocated \$200 million in tax credits to 77 projects. This year, another 30 projects are set to receive an additional \$100 million in tax credit allocations. Together they are estimated to bring \$2 billion in direct spending to California communities, which includes \$736 million in wages paid to “below-the-line” crew members (electricians, grips, drivers, costumers, etc), according to data compiled by the Film Commission.

“This is exactly why I fought so hard for tax credits in last year's budget. Already, the film and television incentive has led to thousands of retained jobs and increased economic activity. Just the first two years of this incentive will generate \$2 billion in direct spending, with even more to come,” said Governor Schwarzenegger. “It is the private sector that will bring California's economy back, and our tax incentives are clearly helping employers along the way. That's why it's important that we continue to be a partner to employers and not a roadblock.”

The California Film Commission reports that the 77 first year projects approved for tax credits will hire 18,200 crew members, 4,000 cast members, and over 100,000 background or “extra” players. These approved projects include 51 feature films, both studio and independent, seven television series and 14 made-for-television-movies.

“For three years, I've been trying to make RED STATE. It wasn't until my project qualified for the tax credit program that the flick fast-tracked into reality,” said feature film Director Kevin Smith. “A film it seemed would never get made is now lensing right here in California.”

As of June 1, 2010, production companies could apply to California's tax credit program for allocations from the program's second year. Thirty productions have been approved for allocations which exhausts the fiscal year funding. The remaining applicants have been added to a waitlist. The 30 productions include 19 feature films, eight television series and three made-for-television-movies.

In order to spur job growth, Governor Schwarzenegger signed legislation enacting the tax credit program in 2009 as part of a targeted economic stimulus package to increase film and television production in California. The program authorizes the California Film Commission to allocate \$100 million in tax credits each fiscal year (or up to \$200 million in its first year of operation) to eligible productions through fiscal year 2013-14. Productions will not receive their tax credit certificates until they have completed post-production, and the tax credits do not become effective before January 1, 2011.

“The enormous interest in our tax credit program shows that a targeted incentive can keep tens of thousands of high-paying jobs in California,” said California Film Commission Executive Director Amy Lemisch. “I am thrilled with how effective this program has been.”

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