



California Film and TV Tax Credit Program Draws Another Record Number of Applications

Hollywood, Calif. -- June 3, 2014 -- The California Film Commission began accepting applications yesterday for the next \$100 million round of tax credits provided by the state's Film & Television Tax Credit Program, which was enacted in 2009 to help curb runaway production.

The number of applications submitted on the first day of the application period rose more than 30 percent to 497, compared to 380 on the first day of the application period last year. The number of projects selected initially for a tax credit allocation dropped to 23, compared with 34 last year. The remaining 474 projects submitted on the first day of the application period will be placed on a waiting list. As in prior years, it is expected that a significant number of wait list projects may be allocated tax credits, as approved projects withdraw due to scheduling delays or other production-related factors. When a project withdraws, its credits are reassigned to the project next in line on the waiting list. A complete list of specific projects approved for tax credit allocations (reservations) will be released by the California Film Commission on July 1st.

"This year's dramatic growth in the number of applications reaffirms that California remains the preferred choice for projects of all types and sizes," said California Film Commission Executive Director Amy Lemisch. "The industry wants to base productions in California and the availability of incentives helps drive that activity."

Applications were accepted Monday from 9:00 am - 3:00 pm at the Film Commission's office in Hollywood. At 3:30 pm, Film Commission staff members, with assistance from a Cal Fire deputy state fire marshal, conducted the state's sixth annual film/TV tax credit lottery. The lottery is used to select projects at random, given that demand for California tax credits far exceeds supply.

The lottery establishes a queue order to determine which projects will receive tax credits before the entire \$100 million is exhausted. These projects are considered conditionally approved for a tax credit "reservation" subject to review for eligibility and program compliance. This review process will be completed by July 1st, the start of the state's fiscal year. Provisions of the program do not allow for credits to be allocated (i.e., reserved) prior to that date. Projects selected for an allocation will not receive their tax credit certificates until post-production is completed and the California Film Commission has reviewed all required documentation, including audited cost reports.

Over the past six years, the industry has embraced California's tax credit program, as demonstrated by year-to-year growth in the number of projects submitted on the first day of the application period. Annual numbers are as follows:

- 2014: 497 project applications
- 2013: 380 project applications
- 2012: 322 project applications
- 2011: 176 project applications
- 2010: 70 project applications
- 2009: 67 project applications (total applications submitted during fiscal year – not just on day-one)

About the California Film & Television Tax Credit Program

The California Film & Television 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 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. It supports productions of all sizes and budgets, and focuses on activities that stimulate and preserve production spending, jobs and tax revenues in California. Services include administration of the state's Film & Television Tax Credit Program, permits for filming at state-owned facilities, an extensive digital location library, location assistance and a range of other production-related resources and assistance. More information is available at <http://www.film.ca.gov>.

#

Contact: Erik Deutsch, ExcelPR Group (for the California Film Commission)
(323) 851-2455 direct / (310) 597-9245 cell / erikd@excelpr.com