



First Feature Films and Independent Projects Approved for California's Expanded Film and TV Tax Credit Program 2.0

List of 11 Projects Includes Production Companies that Typically Bypass the Golden State; Tables Turn as California Lands Projects Set in Locales that Offer Big Incentives;

Hollywood, Calif. – August 17, 2015 – The California Film Commission today announced its list of the first non-independent feature films and independent projects selected to receive tax credits under the state's recently expanded Film and Television Tax Credit Program 2.0.

In all, 11 productions have received conditional approval -- eight non-independent feature films and three independent projects.

The list includes projects set at least partially in other locales that have been especially aggressive in their effort to use tax credits to lure film and TV production. These projects include *Conjuring 2* (United Kingdom) and *Why Him* (Michigan).

"We're fighting back and winning thanks to our newly expanded tax credit program," said California Film Commission Executive Director Amy Lemisch. "We were losing projects that were set here at home, and now we're back to doubling for other locales. This demonstrates that when the playing field is more level, the industry views California as the first and best option."

This upward trend began in May with the first allocation for California's expanded tax credit program, which was earmarked specifically for TV projects. That allocation resulted in four TV series relocating to California from other states (Georgia, Louisiana, Maryland and North Carolina).

Lemisch also noted that the independent film projects announced today are from production companies that rarely work in California, opting instead to shoot in states where tax credits have been more readily available.

Alcon Entertainment, one of the independent production companies selected to receive tax credits, has not filmed a project entirely in California in over a decade. "We are excited to be coming back to California to film *Chicken Soup for The Soul*. We're looking forward to working with the greatest crews and top facilities with the convenience of managing this project close to home," commented Andrew Kosove and Broderick Johnson, Co-Founders and Co-CEOs, Alcon Entertainment.

In addition to attracting projects set elsewhere and/or from producers who traditionally bypass California, the list announced today also includes projects that will shoot in-state but outside the dominant Los Angeles 30-Mile Zone.

“Five of the selected films are planning to shoot a collective 77 days outside the 30-mile zone,” Lemisch explained. “This is an early indicator that the new program’s added incentives for filming outside the zone are working and achieving the intended result.”

Based on data provided with each application, the 11 approved projects announced today will generate an estimated \$533 million in direct in-state spending, including \$171 million in wages for below-the-line crew members.

The latest tax credit program application period (held July 13-25) made available \$48.3 million for non-independent feature films, and \$6.9 million for independent projects* These latest funding “buckets” total \$55.2 million out of the program’s \$230 million in first fiscal year funding (note \$100 million of the \$330 million in annual funding is allocated this year to the final round of the state’s expiring, first-generation tax credit program).

The complete list of non-independent feature films and independent projects chosen for the latest round of tax credits is attached. Note that the list may be revised, as projects may withdraw from the program and tax credits are reassigned to those currently on the wait list.

As mandated in the new program, approved projects are selected based on their jobs ratio score, which ranks each project by wages to below-the-line workers, qualified spending for vendors, equipment, etc., and other criteria. The top 200% ranked projects in each round compete for tax credits, and those not selected are placed on the waiting list.

As has been the case since the state launched its first-generation tax credit program in 2009, the California Film Commission awards tax credits only after each selected project: 1) completes post-production, 2) verifies that in-state jobs were created, and 3) provides all required documentation, including audited cost reports.

Remaining application periods for the state’s current fiscal year (which ends June 30, 2016) are as follows:

November 30 - December 6, 2015: TV Series, Mini-series, MOWs, Pilots and Relocating TV series

January 11 - 24, 2016: Independent Projects and Non-Independent Feature Films

February 15 - 21, 2016: TV Series, Mini-series, MOWs, Pilots and Relocating TV series

More information about California’s recently-expanded Film and Television Tax Credit Program 2.0, including application procedures, eligibility and program guidelines, is available at <http://film.ca.gov/incentives>.

*Note: The “non-independent” vs. “independent” distinction is based on whether a company is publicly-traded/partially owned by a publicly-traded company or privately-held (this definition is included in the tax credit legislation). Tax credits for non-independent projects are non-transferable (i.e., may be used only by the production company to offset in-state tax liability), while credits for independent projects may be transferred.

About California’s Film and Television Tax Credit Program 2.0

On September 18, 2014, Governor Brown signed bipartisan legislation to more than triple the size of California’s film and television production incentive, from \$100 million to \$330 million annually. Aimed at retaining and attracting production jobs and economic activity across the state, the California Film and TV Tax

Credit Program 2.0 also extends eligibility to include a range of project types (big-budget feature films, TV pilots and 1-hr TV series for any distribution outlet) that were excluded from the state’s first-generation tax credit program. Other key changes include replacing the prior lottery system with a “jobs ratio” ranking system that selects projects based on wages paid to below-the-line workers, qualified spending (vendor payments, equipment, etc.) and other criteria. In addition, “uplifts” are now available for projects that shoot outside the Los Angeles 30-mile zone or have qualified expenditures for visual effects or music scoring/track recording.

About the California Film Commission

The California Film Commission 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>.

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California Film & TV Tax Credit Program 2.0

Program Year 1 - Allocation # 2 Conditionally Approved Projects

Production Title	Company Name	Production Type
Chicken Soup For The Soul	Alcon Entertainment LLC	Indie Project
Code Name Veil	Code Name Veil Movie LLC	Indie Project
Twin Peaks	Rancho Rosa Partnership, Inc.	Indie Project

Production Title	Company Name	Production Type
Action Park	Paramount Pictures Corporation	Non-Indie Feature
Avon Man	20th Century Fox Film Corporation	Non-Indie Feature
Conjuring 2	S&K Pictures, Inc.	Non-Indie Feature
God Particle, The	Paramount Pictures	Non-Indie Feature
Overnight	Robotopia Productions, Inc.	Non-Indie Feature
Untitled Dax Shephard Comedy	Warner Bros. Pictures	Non-Indie Feature
Whale	Newsb 76 Productions, Inc.	Non-Indie Feature
Why Him	20th Century Fox Film Corporation	Non-Indie Feature