

California Film Commission Launches Newly-Expanded Tax Credit Program

First Allocation for TV Projects Draws 37 Applications

Hollywood, Calif. – May 19, 2015 – The California Film Commission today announced that 37 television projects applied for the first allocation of the state’s newly expanded Film and Television Tax Credit Program 2.0, which was signed into law last September by Governor Brown to increase the state’s incentive program funding from \$100 million to \$330 million annually.

The first application period, held May 11-17, was open only to television projects scheduled to begin production on or after July 1. In contrast to the previous system for allocating tax credits (which held its final application period earlier this year), the new program is open to new TV series for networks and premium cable outlets, as well as pilots and projects for internet-based distribution.

A total of \$55.2 million was made available for new series, miniseries, movies of the week (MOWs) and pilots, along with \$27.6 million reserved specifically for series relocating production to California from out-of-state.

The applicants are categorized as follows:

| | |
|-------------------|-------------|
| - New TV Projects | |
| o TV series | 16 projects |
| o Mini-series | 3 projects |
| o MOWs | 4 projects |
| o Pilots | 8 projects |
| - Relocating TV | 6 projects |
| TOTAL | 37 projects |

Under the new program, tax credits are allocated in “buckets” for different categories of production, including TV projects (new series, miniseries, MOWs and pilots), relocating TV series, independent films and non-independent films. This enables applicants to compete for credits directly against comparable projects.

Another change with the new program involves the protocol for selecting projects to receive tax credits. The previous lottery system has been replaced by a “jobs ratio” that ranks projects based on job creation and other criteria.

The Film Commission is currently reviewing the 37 TV applications to assess each project’s eligibility and jobs ratio score. Applicants will receive an initial update within the week regarding their status. Those with a jobs ratio score within the top 200 percent of applicants will be elevated to “Phase-Two” for further evaluation and review. The Film Commission will then assign credits to the highest ranking projects until the \$55.2 million and \$27.6 million buckets are allocated. Projects in the top 200% that

are not assigned credits will be placed on a waiting list. Those selected to receive a tax credit allocation will be notified in the next few weeks.

“Our first application period for the new program was smooth and very well received by the industry,” said California Film Commission Executive Director Amy Lemisch. “Applicants responded positively to the new online application system, and our outreach to communicate how the application process works appears to have paid off.”

Consistent with the state’s prior (first) tax credit program enacted in 2009, the new program awards tax credits only after selected projects: 1) complete post-production, 2) verify the creation of in-state jobs (in accordance with their jobs-ratio score under the new program), and 3) provide all required documentation, including audited cost reports.

The next application period for the new program is scheduled July 13-25, and targets feature films and independent projects. The funding bucket for that allocation is set at \$48.3 million for feature films and \$6.9 million for independent projects.

More information about California’s Film and Television Tax Credit Program 2.0, including application procedures, eligibility, program guidelines, etc., is available at film.ca.gov/incentives.

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>.

###

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