



California's Film & TV Tax Credit Program Lures 16th Relocating TV Series

New Season of the SHOWTIME® Saga 'Penny Dreadful' Will Bring Nearly \$100 Million in Qualified Spending as Production Shifts from Ireland to the Golden State

Hollywood, Calif. – March 11, 2019 – The next season of the SHOWTIME saga “Penny Dreadful” will bring high-wage jobs and lots of production spending to California as it becomes the 16th TV series to relocate here with help from the state’s Film & TV Tax Credit Program 2.0.

The California Film Commission today announced that the popular drama-horror series will move production from Dublin to Los Angeles for its fourth season. “Penny Dreadful: City of Angels” will employ more than 350 cast members, 150 crew and 10,000 extras (including stand-ins measured in “man days”).

Approved conditionally for \$24.7 million in tax credits, “Penny Dreadful: City of Angels” will spend an estimated \$99 million on below-the-line wages and other qualified expenditures during the upcoming season. Note that overall spending for such projects is significantly higher than qualified spending, as overall spending also includes above-the-line wages and other production expenditures that do not qualify for tax credits under Program 2.0.

“With its established track record and top of the line production value, a relocating series like ‘Penny Dreadful’ brings long-term jobs and significant in-state spending,” said California Film Commission Executive Director Amy Lemisch. “Global competition and increasing reliance on VFX make it possible for projects set almost anywhere to film wherever they get the best value. We’re delighted that California crews and service providers will benefit directly from this project, which is set in our own backyard.”

The new season of the Emmy-nominated series is described as the next chapter in the “Penny Dreadful” saga and a spiritual descendent of prior seasons set in Victorian-era London. While the new installment takes place in 1938 Los Angeles, other production locales were considered.

“Choosing where to set up production for the next chapter of the ‘Penny Dreadful’ fable was one of the most important decisions we had to make, and there were many options we looked into,” said Jana Winograde, President of Entertainment, Showtime Networks Inc. “Shooting in California obviously has many attractions, but without the state’s Film and TV tax credit it could become cost prohibitive. We couldn’t be happier about how things worked out or the benefits it will bring to the job market.”

With the addition of “Penny Dreadful,” California’s expanded Film & TV Tax Credit Program 2.0 has attracted relocating TV series from seven U.S. states plus Canada and the Republic of Ireland (see “Relocating TV Series” list below). These projects are on track to generate nearly \$1 billion in qualified* in-state spending, including \$553 million in wages to below-the-line workers. These numbers will continue to grow as the relocated projects are picked up for additional seasons.

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“Penny Dreadful” premiered in 2014 and aired its third-season finale in June 2016. Created, written and executive produced by John Logan, the series has developed a loyal base of fans affectionately called “The Dreadfuls.” The “Penny Dreadful: City of Angels” chapter will be based on all new characters and storylines that deal with historical and real world political, religious, social and racial issues.

Due to the tax credit program’s ongoing success with long-term TV projects, the latest TV application period (held February 4-8, 2019) was open only to relocating series and recurring series already accepted into Program 2.0. In addition to the relocating “Penny Dreadful: City of Angels” series, the tax credit program currently has 29 recurring TV series in various stages of production. To date, a total of 74 television projects, including new TV series, relocating TV series, pilots, MOWs and miniseries have been accepted into Program 2.0 since it was launched in July 2015.

Below is a list of the TV series currently in the Program and eligible for tax credits. The list is subject to change, as series may withdraw and their reservation of tax credits is reassigned or rolled over into the pool of funds for the next TV allocation period.

The next application period for TV projects (the first for fiscal year-five of Program 2.0) is scheduled for May 20-24, 2019. The next round of feature film projects (the third and final round for fiscal year-four of Program 2.0) is scheduled to be announced April 1, 2019.

How Projects are Selected and Awarded Tax Credits under Program 2.0

Projects approved for California tax credits 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 (i.e., those that would qualify if double the amount of funding was available for the current allocation round) are evaluated, and those with the highest-ranked jobs ratios receive tax credits. Those not selected are placed on the waiting list. The program allocates funding in “buckets” for different production categories, including non-independent films, independent films, TV projects and relocating TV series. This allocation system enables applicants to compete for credits directly against comparable projects. 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.

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.

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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 (for vendors, equipment, etc.) and other criteria. Program 2.0 also offers an additional five percent tax credit for non-independent projects that shoot outside the Los Angeles 30-mile zone or have qualified expenditures for visual effects or music scoring/track recording. The five-year Program went into effect on July 1, 2015 and is currently in its fourth fiscal year (2018/19).

More information about California’s Film and Television Tax Credit Program 2.0, including application procedures, eligibility and guidelines, is at <http://www.film.ca.gov/tax-credit/>.

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/budgets and focuses on activities that stimulate and preserve production jobs, spending and tax revenues in California. Services include administration of the state's Film & Television Tax Credit Program, permits for filming at state-owned properties, 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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* “Qualified expenditures” are defined as wages to below-the-line workers and payments for equipment/vendors. Overall in-state production spending will be significantly higher with the addition of above-the-line wages and other expenditures that do not qualify for California tax credits.

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

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Program 2.0 - Relocating Television Series

Title	Previous Location	Season in CA
American Crime ABC	Texas	1
American Horror Story	Louisiana	4
Ballers	Florida	3
Good Girls	Georgia	1
Legion	Vancouver	2
Lucifer	Vancouver	2
Penny Dreadful	Dublin	1
Mistresses	Vancouver	1
Scream Queens	Louisiana	1
Secrets and Lies	North Carolina	1
Sneaky Pete	New York	1
Timeless	Vancouver	2
The Affair	New York	2
The OA	New York	1
Veep	Maryland	3
You	New York	1

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**California Film and TV Tax Credit Program 2.0
Ongoing Program 2.0 TV Series – Various Stages of Production**

Production Title	Production Type	Company Name
13 Reasons Why	Recurring TV	Paramount Television
Affair, The**	Recurring TV	Showtime
American Crime Story	Recurring TV	Twentieth Century Fox Film Corporation
American Horror Story**	Recurring TV	Twentieth Century Fox Film Corporation
American Princess	Recurring TV	A+E Studios
Animal Kingdom	Recurring TV	Horizon Scripted Television, Inc
Ballers**	Recurring TV	HBO
Crazy Ex-Girlfriend	Recurring TV	CBS Studios, Inc.
Euphoria	Recurring TV	HBO
Flowers of Helvetica	New TV	HBO
Good Girls	Relocating TV	Universal Television, LLC
Good Trouble	Recurring TV	Disney ABC Cable Group
Legion**	Recurring TV	Minim Productions, LLC
Lucifer**	Recurring TV	WB Studio Enterprises
Mayans MC	Recurring TV	Fox21 Television Studios
OA, The**	Recurring TV	Lunar Mining, LLC
Orville, The	Recurring TV	Twentieth Century Fox Television
Penny Dreadful: City of Angels	Relocating TV	Showtime
Rebel	Recurring TV	BET Productions II, Inc.
Rookie, The	Recurring TV	ABC Studios
S.W.A.T.	Recurring TV	Sony Pictures Entertainment
Sneaky Pete**	Recurring TV	Amazon Studios, LLC
Snowfall	Recurring TV	Twentieth Century Fox Film Corporation
New Star Trek Series	New TV	CBS Studios, Inc.
Strange Angel	Recurring TV	CBS Studios, Inc.
This is Us	Recurring TV	Twentieth Century Fox Film Corporation
Veep**	Recurring TV	Second in Command Productions, LLC
Westworld	Recurring TV	HBO
Why Women Kill	New TV	CBS Studios, Inc.
You	Relocating TV	Horizon Scripted Television

NOTES

1. The above list will likely be revised as applicants may withdraw from the program.
2. Credit allocation will be issued to Recurring Series if / when they provide pick up orders for additional episodes or new seasons.
3. "Recurring Series" is defined as a TV Series or Relocating TV Series (in its second or subsequent season in California) that has received a previous allocation of tax credits.
4. "Relocating TV Series" is a TV Series that filmed its most recent season outside California.
5. **Recurring Series that were initially accepted as Relocating TV Series.