



## **California's Film & TV Tax Credit Program Adds Big-Budget "Space Jam 2" and Several Out-of-Zone Features**

**Hollywood, Calif. – November 19, 2018** – California's Film & TV Tax Credit Program 2.0 continues to attract big-budget features and production activity statewide with the latest round of film projects announced today by the California Film Commission.

The 15 projects (10 non-independent, five independent) include the big-budget "Space Jam 2" and at least five films that plan to shoot outside the Los Angeles 30-Mile Zone. Four of the out-of-zone projects ("Janis," "Cry, Baby," "Lexi" and "Luminous")\* will film in the San Francisco area, while a feature titled "Palm Springs" will shoot in its namesake desert resort city.

"One of the goals for Program 2.0 is to bring production jobs and spending to regions across the state, and we're beginning to see that happen more often and on a larger scale," said California Film Commission Executive Director Amy Lemisch. "We're thrilled to see Program 2.0 have such far-reaching benefits."

A total of \$73.3 million in tax credits has been reserved for the 15 projects, which are on track to generate \$370 million in qualified expenditures\*\*. This figure includes \$194.7 million in wages for below-the-line crew members. Based on data provided with each tax credit application, the projects will employ an estimated 2,300 crew, 750 cast and 28,000 extras/stand-ins (the latter measured in "man-days") over a combined 554 shoot days.

Warner Bros.' "Space Jam 2" alone is on track to generate more than \$100 million in qualified spending, including almost \$43.2 million in below-the-line wages. The long-awaited sequel produced by Ryan Coogler and starring LeBron James is the latest in a growing list of big-budget films choosing California over locales that offer more aggressive financial incentives (see "Program 2.0 Big-Budget Films" list below).

The five new out-of-zone projects plan to spend 88 filming days in San Francisco, Riverside and Kern Counties. Topping the list are CBS Films' "Lexi" with 30 filming days in San Francisco, and the Andy Samberg comedy "Palm Springs" with 20 of its 25 filming days in the desert city.

"I'm thrilled to be shooting in my home state of California," said Andy Samberg, producer and star of 'Palm Springs.' "Not only was I born and raised here, but, as everyone knows, the California Raisins were a major creative influence, which I think will definitely rub off on this production."

A total of 37 film projects applied for tax credits during the October 15 - 19 application period. The complete list of selected projects is provided in the chart below (titled "Program Year 4 – Allocation #3 Conditionally Approved Projects"). The list is subject to change, as applicants may withdraw from the program and their reservation of tax credits is reassigned to one or more other projects currently on the

waitlist. A subsequent application period for TV projects was held November 5 – 9, with selected projects scheduled to be announced December 10<sup>th</sup>. The next application period for feature film tax credits will be held February 25 – March 1, 2019.

\* “Cry, Baby” was accepted into the tax credit program previously but dropped out and reapplied for the current allocation round.

\*\* Qualified expenditures are defined as wages to below-the-line workers and payments for equipment/vendors. Overall in-state production spending by the 15 projects announced today will be significantly greater with the addition of above-the-line wages and other expenditures that do not qualify for California tax credits.

### **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 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.

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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California Film & TV Tax Credit Program 2.0

### Program Year 4 - Allocation # 3 Conditionally Approved Projects

	Production Title	Company Name	Production Type - Feature
1	24/7	Universal City Studios LLC	Non-Indie
2	Boy Who Knew Too Much, The	20th Century Fox Film Corporation	Non-Indie
3	Cry, Baby	Cry Baby Productions LLC	Non-Indie
4	Janis	Atlas Entertainment, LLC	Indie
5	Lexi	CBS Films Inc.	Non-Indie
6	Luminous	JB Productions, Inc.	Indie
7	Margaritaville	Lions Gate Entertainment Inc.	Non-Indie
8	Marlowe	Amazon Studios LLC	Non-Indie
9	Marry Me	Universal City Studios LLC	Non-Indie
10	Mouse Guard	20th Century Fox Film Corporation	Non-Indie
11	Palm Springs	Kablamo! Productions, LLC	Indie
12	Space Jam 2	Warner Bros. Pictures	Non-Indie
13	Stuck at the Office	Sato Production LLC	Indie
14	Unicorn	1440 Productions LLC	Non-Indie
15	Walk, The	Big One Productions LLC	Indie

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California Film & Television Tax Credit Program 2.0

**Program 2.0 Big Budget Films**

	<b>Production Title</b>	<b>Company Name</b>
1	A Wrinkle in Time	The Walt Disney Studios
2	Ad Astra	Lima Project Films
3	Birds of Prey	WB Studio Enterprises Inc.
4	Bright	FogTeeth Productions, LLC
5	Bumblebee	Paramount Pictures
6	Call of the Wild	Twentieth Century Fox Film Corporation
7	Captain Marvel	Warbird Productions, LLC
8	Ford v. Ferrari	Twentieth Century Fox Film Corporation
9	Island Plaza	Paramount Pictures
10	Once Upon a Time in Hollywood	PM Film Fund I, LLC
11	Space Jam 2	Warner Bros.

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## California Film &amp; TV Tax Credit Program 2.0

**Out-of-Zone Films** (To Date)

Production Title	Feature Type	Out of LA Area Filming Days	Total Filming Days	Out of LA Area Counties
A Wrinkle in Time	Non-Indie	26	80	Ventura, Kern, Humboldt
A Star is Born	Non-Indie	5	40	Riverside
Black and Blue	Indie	21	24	Ontario
Blackbird	Indie	25	35	Ventura, San Bernardino
Bumblebee	Non-Indie	56	73	San Luis Obispo, Santa Cruz
Bunker	Non-Indie	18	20	Ventura County
Captain Marvel	Non-Indie	9	80	Fresno, Kern
CHiPs	Non-Indie	18	46	Orange County
Cry, Baby *	Non-Indie	22	44	San Francisco, Kern
Destroyer	Indie	18	45	Kern, San Bernardino, Lancaster
Fairyland	Indie	27	27	San Francisco
Fathers and Prophets	Indie	26	26	Monterey
Flying Horse	Non-Indie	58	58	Sacramento
Ford v. Ferrari	Non-Indie	38	67	Kern, San Bernardino, Orange, Santa Rosa
Island Plaza	Non-Indie	21	73	Kern
Janis *	Indie	6	36	San Francisco
Lexi *	Non-Indie	30	30	San Francisco
Luminous *	Indie	10	40	San Francisco
Magic Camp	Non-Indie	40	40	San Bernardino
Palm Springs *	Indie	20	25	Riverside County
Revenge	Indie	28	28	Nevada County, Solano, Lake Tahoe
Rim of the World	Indie	26	40	Ventura, Mono, Orange
The Devil Has A Name	INDie	22	28	Kern
The Last Weekend in May	Indie	19	19	Riverside
Suburbicon	Indie	4	43	Orange
Twin Peaks	Indie	14	111	Riverside
Unbroken - Path to Redemption	Non-Indie	2	20	Oxnard
Us	Non-Indie	16	40	Santa Cruz
YesterNow	Indie	28	28	San Francisco

\* Selected for the latest tax credit allocation.