



California Film Commission Accepts Record Number of Tax Credit Applications

Hollywood, Calif. -- June 4, 2013 -- On Monday, June 3rd, the California Film Commission began accepting applications for the next \$100 million round of tax credits provided annually by the state's Film & Television Tax Credit Program, which was enacted in 2009 to help curb runaway production.

The number of applications submitted this year on the first day of the application period rose 18 percent to 380, compared to 322 applications last year. At the same time, the total number of projects selected to receive a share of the \$100 million in annual tax credits remained nearly steady at 31, from 28 projects last year*. Tax credits are reserved for each selected film and TV project based on the project's budget. Once the total sum of credits allocated reaches \$100 million, any additional projects are placed on a waiting list.

Applications were accepted yesterday (June 3rd) from 9:00 am - 3:00 pm. At 3:30 pm, Film Commission staff members, with assistance from a Cal Fire deputy state fire marshal, conducted a lottery to select projects at random. Each application was given a number between 1 and 380, and the credits were then reserved in that order until all \$100 million was assigned.

"The record number of applications this year serves as affirmation that the production industry wants to stay at home in California," said California Film Commission Executive Director Amy Lemisch. "But tax credits now drive much of the decision making process, and sadly many projects that weren't selected to receive California credits will be shot elsewhere."

Lemisch went on to explain how the industry has embraced California's tax credit program, as demonstrated by year-to-year growth in the number of applications submitted. Prior to this year's 18 percent increase, the number of applications received last year (on June 1, 2012) rose more than 80 percent to 322, compared to 176 the prior year.

The breakdown in type of projects selected this year is as follows**:

- Feature Films: 14 projects (2 studio / 12 independent)
- TV Series: 12 projects***
- Relocating TV Series: 2 projects
- MOW: 3 projects (1 studio / 2 independent)
- Mini-Series: 0

Across all categories, the dispersion among the initial 31 projects conditionally approved for tax credits was 17 studio projects and 14 indies.

Based on information provided by each applicant, it is estimated that these projects will spend more than \$771 million in California, including more than \$290 million in qualified wages. They will employ an estimated 2,980 cast members, 3,730 crew members and 80,680 extras/stand-ins (calculated in "man-days").

The California Film Commission will continue to accept tax credit program applications throughout the fiscal year (July 1, 2013 - June 30, 2014) for placement on the waiting list. Those on the list will be accepted only after credits are freed up by other projects that withdraw from the program due to scheduling delays or other production-related issues.

"In prior years, many projects on the waiting list ultimately received credits, and we expect that to be the case again this year," Lemisch added.

With the addition of the latest round of projects, California's Film & Television Tax Credit Program (enacted in 2009) is responsible for helping generate \$4.67 billion in direct spending within the state, including \$1.59 billion in wages paid to "below-the-line" crew.

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>.

* While 28 projects were selected via the lottery in 2012, a total of 75 projects ultimately received tax credits as part of last year's allocation. This was due to the number of smaller independent projects that went from the waiting list to receive credits

** Applications for this year's tax credit allocation are still being reviewed. Program statistics are subject to change.

*** Per tax credit statute, the "TV Series" category is limited to basic cable series.

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