



Three Big-Budget Features Join California's Film & TV Tax Credit Program

Half of Projects in Latest Allocation Round Plan Filming Outside Los Angeles Production Zone

Hollywood, Calif. – July 24, 2017 – The latest round of feature films added to California's Film and Television Tax Credit Program 2.0 demonstrate the state's progress in attracting big-budget projects and creating jobs statewide.

Three big-budget films -- "Captain Marvel," "Island Plaza" and "Midway," -- have been selected as part of the latest round of tax credits, which allocates nearly \$68 million to eight independent and studio projects. A total of 92 projects applied for tax credits during the first film allocation period (held June 27 – July 8) for fiscal year-three of California's expanded Program 2.0.

Marvel Studios Co-President Louis D'Esposito stated, "Our headquarters and postproduction facilities are in California, so it's very exciting to be able to film 'Captain Marvel' here in our home state thanks to this California tax credit. As a result, not only will we be able to streamline our production process for this and other films we're working on concurrently, but we'll have more time to spend with our families."

"Captain Marvel" and the other big-budget studio projects have production budgets in excess of \$75 million, which would have made them ineligible for the state's first-generation tax credit program.

"With the three we've added today, a total of six big-budget films have been lured to California thanks to Program 2.0," said California Film Commission Executive Director Amy Lemisch. "Such films are a primary target for the tax credit program because they can bring significant jobs and spending to regions across the state."

Among the other projects selected for the latest round of tax credits are indies "Happytime Murders" directed by Brian Henson and starring Melissa McCarthy, and "Cheney" starring Amy Adams, Christian Bale and Steve Carell.

Based on data provided with each application, the eight film projects announced today are on track to employ more than 2,600 cast and crew, and generate nearly \$385 million in qualified spending (defined as wages to below-the-line workers and payments for equipment/vendors). Four of the eight projects plan to shoot at least partially outside the Los Angeles 30-Mile Zone (as far away as northern California).

"Production companies are rediscovering the diverse locations available across the state," added Lemisch. "For example, 'Midway' plans to film extensively in Alameda County, where the producers can take advantage of the Bay Area's unique locations, production infrastructure and skilled crews."

Year-three of Program 2.0 began officially on July 1 (the start of the state's fiscal year). The complete list of feature films approved as part of the latest allocation round is provided below. Note the list is subject to change as applicants may withdraw from the program and their reservation of tax credits gets reassigned to those currently on the wait list. The next application period for feature films will be held October 16-20. The next application period for TV projects will be held November 6 – 13.

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 feature 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. More information about California's Film and Television Tax Credit Program 2.0, including application procedures, eligibility and guidelines, is available 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 and 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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Program Year 3 - Allocation # 2 Conditionally Approved Projects

	Production Title	Company	Project Type - Feature
1	A Christmas Story: The Musical Live!	Adrian Court Productions Inc.	Non-Independent
2	Bird Box	River Bend Productions, LLC	Independent
3	Captain Marvel	Warbird Productions, LLC.	Non-Independent
4	Cheney	21 Inch Philco, LLC	Independent
5	Happytime Murders	Puppet Murders, LLC	Independent
6	Island Plaza	Paramount Pictures Corporation	Non-Independent
7	Midway	Midway Island Productions, Inc.	Non-Independent
8	Peppermint	Lakeshore Entertainment Group	Independent