



California's Film & TV Tax Credit Program Adds Another Tentpole; Nearly Half of Newly-Selected Projects to Shoot Outside L.A. 30-Mile Zone

*Expanded Eligibility and Inducements for Production Statewide Achieve Results as
California Film Commission Allocates Latest \$100 Million in Credits to 22 Projects*

Hollywood Calif., February 13, 2017 – California's Film & Television Tax Credit Program 2.0 is helping bring big-budget features back home while spreading production activity across the Golden State.

The latest group of 22 film projects accepted into the program includes another big-budget feature, along with 10 films currently slated to shoot at least partially outside the Los Angeles 30-Mile Zone.

The big-budget film ("Untitled Paramount Project") would have been ineligible under the state's first-generation tax credit program (Program 1.0), which excluded projects with budgets greater than \$75 million. In contrast, Program 2.0 is open to film projects with any budget (though tax credits are capped to each project's first \$100 million in qualified spending). The project announced today will employ nearly 300 cast and crew members, and bring more than \$100 million in qualified in-state spending, including \$50 million in wages to below-the-line-workers. It joins Disney's previously announced "Wrinkle in Time" as a big-budget win for California's Program 2.0.

The list of new tax credit projects announced today also continues Program 2.0's trend of bringing production jobs and spending to regions across the state. This success is facilitated by the Program's five percent "uplift" provision designed specifically to encourage such production.

Projects announced today with plans to shoot outside the 30-Mile Zone include "Ad Astra," "Beautiful Boy," "Blonde," "Book Club," "Highway One," "Inner City," "Shutter Spy," "Untitled Jessica Buchanan Story," "Untitled Paramount Project" and "Untitled Universal Pictures Project." The most recent prior list of feature films (announced by the California Film Commission on August 2, 2016) included five such out-of-zone projects.

"Thanks to the expanded tax credit program we're now on a path to win more and more battles in the fight against runaway production," said California Film Commission Executive Director Amy Lemisch. "Welcoming another big-budget feature and creating jobs across the state are great news for California."

Lemisch went on to note the good news comes on the heels of a record year for feature film production reported by FilmL.A.

Paul Audley, president of FilmL.A. added, "The incentive is working as intended."

The 22 tax credit projects announced today are part of the second and final feature film allocation for year-two of Program 2.0. The application period was held January 2 -13, and drew 93 applications vying

for \$100 million in tax credit allocation. Based on data provided with each application, the selected projects (14 from non-independent production companies/studios, eight from independent production companies) are on track to spend a total of \$800 million in-state, including \$300 million in qualified wages to more than 4,000 crew and cast members.

The complete list of feature films approved for the latest allocation round is attached. Note the list is likely to be revised, as applicants may withdraw from the program and their tax credits reassigned to those currently on the wait list.

The next application period for California's Film & Television Tax Credit Program 2.0 is currently underway (February 10 – 17) for television projects.

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://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 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 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

Program Year 2 - Allocation # 4 Conditionally Approved Projects

	Production Title	Company	Project Type - Feature
1	A Star is Born	WB Studio Enterprises, Inc.	Non-Independent
2	Ad Astra	Lima Project Films	Independent
3	Beautiful Boy	Amazon Studios, LLC	Non-Independent
4	Blonde	Plan B Entertainment, Inc.	Independent
5	Book Club	Bookclub for Cats, LLC	Independent
6	Callahan	Amazon Studios, LLC	Non-Independent
7	Flarsky	Good Universe Films, LLC	Independent
8	Highway One	Placeholder Productions, LLC	Independent
9	Hotel Artemis	Ink Factory, Inc	Independent
10	Inner City	Inner City Productions, LLC	Independent
11	Marwencol	Universal City Studios, LLC	Non-Independent
12	Plus One	Lions Gate Entertainment, Inc.	Non-Independent
13	Shutter Spy	Shutter Spy Productions, Inc	Non-Independent
14	Stuck at the Office	Zack Schiller & Associates, LLC	Independent
15	Tag	New Line Productions, Inc.	Non-Independent
16	The Children	Mutiny Pictures, Inc.	Non-Independent
17	Timmy Failure	Newsb 87 Productions, Inc.	Non-Independent
18	Unbroken - Path to Redemption	1440 Productions, LLC.	Non-Independent
19	Untitled Jessica Buchanan Story	WB Studio Enterprises, Inc.	Non-Independent
20	Untitled Paramount Project	Paramount Pictures Corporation	Non-Independent
21	Untitled Universal Pictures Project	Universal City Studios, LLC	Non-Independent
22	White Girl Problems	Lions Gate Entertainment, Inc.	Non-Independent