



## California's Film & TV Tax Credit Lures Two More Big-Budget Features

*"Ford v. Ferrari" and "Coming 2 America" Among Latest Wins for Expanded Tax Credit Program 2.0*

**Hollywood, Calif. – April 9, 2018** – California continues to make progress in the fight against “runaway production” as its expanded Film & TV Tax Credit Program 2.0 lures more big-budget films to the Golden State.

The California Film Commission today announced that “Ford v. Ferrari” and “Coming 2 America” are among the nine projects selected for the latest round of film tax credits. They join a growing list of big-budget wins for Program 2.0, including “A Wrinkle in Time,” “Bumblebee,” “Call of the Wild” and “Once Upon a Time in Hollywood” (see “Program 2.0 Big-Budget Films” list below).

These types of projects had proved especially prone to runaway production and were ineligible for California tax credits under the state’s first-generation incentive program, which was closed to films with total budgets exceeding \$75 million.

The action-drama “Ford v. Ferrari” (20<sup>th</sup> Century Fox) is on track to spend more than \$78 million in California just on qualified expenditures (defined as wages to below-the-line workers and payments for equipment/vendors). A total of 67 shooting days are planned in-state, with well over half in regions outside the Los Angeles 30-mile zone including Kern, Orange, Santa Rosa and San Bernardino counties. California will double for locales including Florida, Michigan, England and France.

The comedy sequel “Coming 2 America” (Paramount) starring Eddie Murphy is on track to spend \$64.6 million in-state on qualified expenditures.

“California’s expanded tax credit program was successful from day one in attracting TV projects and mid-range features, and it’s succeeding over the long term with big-budget film projects like those announced today,” said California Film Commission Executive Director Amy Lemisch. “While our tax credit is more modest than what’s offered by some competitors, filmmakers understand that California can still provide the best value thanks to our superior talent, infrastructure, weather and locations.”

In addition to “Ford v. Ferrari” and “Coming 2 America,” seven other feature films -- five from studios and two independents – were approved conditionally for the current \$55.5 million round of tax credits (the third and final film round for fiscal year-three of the expanded Program 2.0). They include an untitled Jordan Peele film that will shoot extensively outside the 30-mile zone in Santa Cruz, the new “Scarface” remake and “Deadwood” (based on the HBO series). A total of 39 film projects applied for tax credits during the March 7 – 13 application period.

Based on data provided with each tax credit application, the nine conditionally-approved film projects are on track to employ nearly 500 cast, 1,600 crew, and 30,000 extras (including stand-ins measured in man-days). They will generate an estimated \$ 288.6 million in overall qualified spending across the state.

“The opportunity to produce projects here in California not only creates jobs and economic activity in-state, but it allows us to use the incredible resources we have in our own backyard,” said Jeff LaPlante, president of physical production for Universal Pictures (the studio behind the untitled Jordan Peele film). “California provides an extraordinary setting that is adaptable for film production, and our ability to utilize tax credits locally benefits the community and many people across the industry.”

The complete list of nine projects is provided in the chart below (titled “Program Year 3 – Allocation #6 Conditionally Approved Projects”). Note 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. The next application period for feature film tax credits will be held June 18-22.

### **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 waitlist. 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. The five-year Program went into effect on July 1, 2015 and is currently in its third fiscal year (2017/18).

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

**Program Year 3 - Allocation # 6 Conditionally Approved Projects**

	<b>Production Title</b>	<b>Company Name</b>	<b>Production Type - Feature</b>
1	Coming 2 America	Paramount Pictures Corporation	Non-Independent
2	Deadwood	Calling Grace Productions, LLC	Non-Independent
3	Ford V. Ferrari	Twentieth Century Fox Film Corporation	Non-Independent
4	Grand-Daddy Day Care	Pop Pop Productions LLC	Non-Independent
5	Marry Me	Universal City Studios LLC	Non-Independent
6	Pandora	Pandora Movie LLC	Independent
7	Scarface	Valet Productions LLC	Non-Independent
8	The New Mrs. Keller	Lakeshore Entertainment Group	Independent
9	Untitled Jordan Peele Film	Deep Cuts LLC	Non-Independent

**Program 2.0 Big-Budget Films**

<b>Project Title</b>	<b>Applicant Entity</b>
A Wrinkle in Time	The Walt Disney Studios
Ad Astra	Lima Project Films
Bumblebee	Paramount Pictures
Call of the Wild	Twentieth Century Fox Film Corporation
Coming 2 America	Paramount Pictures Corporation
Ford v. Ferrari	Twentieth Century Fox Film Corporation
Island Plaza	Paramount Pictures Corporation
Once Upon a Time in Hollywood	L. Driver Productions, Inc.
Open World	Warbird Productions, LLC.