



California's Film & TV Tax Credit Lures Another Big-Budget Feature and Several Indie Projects

*DC Comics Spinoff "Birds of Prey" is Among 19 Films Selected for Latest Round of Credits;
More Than Half of Projects Will Shoot Outside the 30-Mile Zone to Bring Production Statewide*

Hollywood, Calif. – July 23, 2018 – The first round of films selected for the fourth year of California's Film & TV Tax Credit Program 2.0 includes another big-budget feature, a large contingent of independent projects, and lots of out-of-zone production.

The California Film Commission today announced that 19 films (11 non-independents and 8 independents) have been approved conditionally for \$52.2 million in tax credits. They will generate an estimated \$258.2 million in qualified expenditures (defined as wages to below-the-line workers and payments for equipment/vendors) and spend a combined 602 shoot days across the state. Based on data provided with each tax credit application, they will employ 869 cast, 2,357 crew, and 23,000 extras (including stand-ins measured in man-days).

"It's great to see so many tax credit projects bring production jobs and spending to regions across the state," said California Film Commission Tax Credit Program Director Nancy Rae Stone. "The out-of-zone filming provisions in Program 2.0 are working as intended to help spread the direct economic benefit."

Stone went on to explain that Program 2.0 includes a five percent tax credit uplift for film and TV projects that perform original photography outside the traditional Los Angeles 30-Mile Zone.

Projects announced today include the DC Comics spinoff "Birds of Prey" starring Margot Robbie, which is the latest big-budget win for California (see "Program 2.0 Big-Budget Films" list below). The WB Studio Enterprises Inc. production is on track to spend nearly \$63 million in-state on qualified expenditures. Such projects with total budgets exceeding \$75 million were ineligible for the state's first-generation incentive program.

"We are excited to be awarded an incentive from the California Film & TV Tax Credit Program, which will allow us to produce 'Birds of Prey' in the Golden State," said Warner Bros. Pictures SVP of Physical Production Kelley Smith-Wait. "The project will have a large footprint and create hundreds of new jobs for women and men in our industry."

A total of 10 other non-independent (i.e., studio) films were selected for the latest round of tax credits. They include six projects ("Bunker," "Covers," "Cry, Baby," "The Has Been," "Flying Horse," and "The Hunt") that plan to shoot outside the Los Angeles 30-Mile Studio Zone.

Among the eight independent films selected for the tax credit round are another five projects ("Black and Blue," "Blackbird," "Drunk Bus," "Revenge," and "YesterNow") that plan to shoot outside the Zone.

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All of the out-of-zone projects for the latest tax credit round are listed in the chart below titled “Out of Zone Filming Days.”

California will double for New York and New Jersey in “Untitled Charles Randolph project” and for Europe in “Bunker.” At least two other projects – “Bullet” (originally set in Philadelphia) and “Head” (originally set in New Jersey) -- will have their storylines revised to be set in California.

A total of 43 film projects applied for tax credits during the June 18 - 22 application period. The complete list of 19 selected projects is provided in the chart below (“Program Year 4 – Allocation #2 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 October 15 - 19.

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. 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 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>.

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

California Film & TV Tax Credit Program 2.0

Program Year 4 - Allocation # 2 Conditionally Approved Projects

	Production Title	Company Name	Production Type - Feature
1	Birds of Prey	WB Studio Enterprises Inc.	Non-Independent
2	Black and Blue	Black and Blue Movie, LLC.	Independent
3	Blackbird	Hunting Lane Films, LLC	Independent
4	Bullet	Bulletpath, LLC	Non-Independent
5	Bunker	Bunker Film Productions, LLC	Non-Independent
6	Covers	Universal City Studios LLC	Non-Independent
7	Cry, Baby	Cry Baby Productions LLC	Non-Independent
8	Drunk Bus	Go Lemmings, LLC	Independent
9	Flying Horse	Tooley Productions 4 LLC	Non-Independent
10	Fool's Day	New Line Productions Inc.	Non-Independent
11	Head	Headcase Movie LLC	Non-Independent
12	Lilian	Cannonball Productions, Inc.	Independent
13	Mainstream	Mainstream Movie LLC	Independent
14	Rent - Live	Twentieth Century Fox Film Corporation	Non-Independent
15	Revenge	Solutions Media LLC	Independent
16	The Has Been	WB Studio Enterprises Inc.	Non-Independent
17	The Hunt	Universal City Studios LLC	Non-Independent
18	Untitled Charles Randolph Project	Lucite Desk, LLC	Independent
19	YesterNow	Signature Entertainment	Independent

Program 2.0 Big Budget Films

	Production Title	Company Name
1	A Wrinkle in Time	The Walt Disney Studios
2	Ad Astra	Lima Project Films
3	Birds of Prey	WB Studio Enterprises Inc.
4	Bumblebee	Paramount Pictures
5	Call of the Wild	Twentieth Century Fox Film Corporation
6	Ford v. Ferrari	Twentieth Century Fox Film Corporation
7	Island Plaza	Paramount Pictures
8	Once Upon a Time in Hollywood	PM Film Fund I, LLC
9	Open World	Warbird Productions, LLC

Out of Zone Filming Days

Production Title	Feature Type	Out of LA Area Filming Days	Total Filming Days	Out of LA Area Counties
Black and Blue	Independent	21	24	Ontario
Blackbird	Independent	25	35	Ventura, San Bernardino
Bunker	Non-Independent	18	20	Ventura
Covers	Non-Independent	5	50	TBD
Cry, Baby	Non-Independent	22	44	San Francisco, Kern
Drunk Bus	Independent	12	21	TBD
Flying Horse	Non-Independent	58	58	Sacramento, Mariposa, Tulare
Revenge	Independent	28	30	Nevada, Solano, El Dorado
The Has Been	Non-Independent	12	38	TBD
The Hunt	Non-Independent	4	33	TBD
YesterNow	Independent	28	28	San Francisco Bay Area

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