



Big-Budget “Babylon” Among 13 Films Selected for California Tax Credits

Latest Projects Announced Alongside Release of Annual Tax Credit Progress Report; Data Shows Continued Growth in Jobs, Spending and Production Activity Statewide

Hollywood, Calif. – November 12, 2019 – The California Film Commission today announced that 13 feature films, including Damien Chazelle’s big-budget “Babylon,” have been selected for the latest round of tax credits allocated by the state’s Film & TV Tax Credit Program 2.0. Concurrent with today’s announcement, the Commission also released its annual tax credit progress report, which affirms that Program 2.0 continues to grow production jobs and spending statewide.

The 13 latest film projects (eight non-independent, five independent) are on track to generate more than \$376 million in qualified spending, which is defined as below-the-line wages to California workers and payments to in-state vendors. Overall spending in the state will be significantly greater with the inclusion of above-the-line payments and other expenditures that do not qualify for tax credits under Program 2.0.

“The projects announced today reaffirm that top decision makers prefer to shoot in California even when they can receive more lucrative tax credits elsewhere,” said California Film Commission Executive Director Colleen Bell. “The list includes projects by Damien Chazelle, Paul Thomas Anderson, David Geffen, Marc Platt and other industry leaders who understand that California continues to offer the best value.”

In addition to “Babylon” and its estimated \$83.4 million in qualified spending, the latest round of film projects also includes the remake of “Little Shop of Horrors,” which will generate an estimated \$59.9 million in qualified expenditures. These films are the latest in a growing list of big-budget wins for California’s expanded tax credit program (see “Program 2.0 Big-Budget Films” list below).

“I’m thrilled to be able to film ‘Babylon’ here in California, with its rich landscapes and excellent crew members,” said writer and director Damien Chazelle. “Thank you to the Film Commission for helping me bring this film to the big screen.”

Based on data provided with each tax credit application, the 13 film projects will employ an estimated 1,960 crew, 698 cast and 26,119 background actors/stand-ins (the latter measured in “man days”) over a combined 587 filming days in California. They will also generate significant post-production jobs and revenue for California VFX artists, sound editors, sound mixers, musicians and other workers/vendors.

Six of the 13 the projects will film outside the Los Angeles 30-Mile Studio Zone for a planned total of 64 filming days in Butte, Orange, Riverside, Sacramento, San Francisco and Ventura counties. To date, Program 2.0 has incentivized 36 out-of-zone film projects for 496 out-of-zone filming days (see “Program 2.0 Out-of-Zone Film Projects” list below).

A total of 54 film projects applied for tax credits during the October 7 – 11 application period. The complete list of 13 conditionally approved projects is provided below (see “Program Year 5 – Allocation #3 Conditionally Approved Projects”). 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 waiting list. The next application period for feature film tax credits will be held March 9 – 13, 2020.

Annual Tax Credit Progress Report Affirms Program 2.0 is Achieving its Objectives

Concurrent with today’s announcement regarding the latest round of tax credit film projects, the California Film Commission also released its annual Progress Report on the state’s film and TV tax credit program. The report provides comprehensive data through year-four of the expanded Program 2.0, which was launched in 2015 and will sunset next year with the launch of Program 3.0.

In-State Spending

During the first four years of Program 2.0, \$1.1 billion in tax credit allocation is on track to generate nearly \$8.4 billion in direct in-state spending. This figure includes \$3 billion in qualified wages to below-the-line crew members, \$2.6 billion in qualified vendor expenditures and another \$2.8 billion in expenditures that do not qualify for tax credits.

Jobs

In terms of employment, projects selected for tax credits during the first four years of Program 2.0 hired more than 36,000 crew members, 27,000 cast, and 559,000 background actors/stand-ins (the latter measured in “man days”). Third-party data provided by major below-the-line unions affirms sustained, long-term growth for California workers. Members of Teamsters, IATSE, basic crafts and others covered under the Motion Picture Industry Pension & Health Plans experienced an 11.7 percent year-to-year increase in hours worked in California from 2017 to 2018.

Big-Budget Projects

During year-four, Program 2.0 lured two additional big-budget feature films – “Space Jam” and “Birds of Prey.” Such projects are especially prone to runaway production, as other states and nations offer more generous incentives without spending caps or qualified spending provisions. To date, Program 2.0 has lured a total of 13 big-budget films to the Golden State.

Relocating TV Series

During year-four of Program 2.0, California gained three additional relocating TV series -- “Penny Dreadful” from Ireland, “Good Girls” from Georgia, and “You” from New York. To date, the expanded tax credit program has lured a total of 16 relocating TV series from other states and nations.

Production Activity Statewide

Program 2.0's additional five percent tax credit "uplift" for production outside the traditional 30-Mile Los Angeles Studio Zone has helped generate more than \$130 million in spending across 19 counties. This includes a one-year increase of more than \$52 million between fiscal years three and four. Note that out-of-zone spending for year-four (and all prior years of Program 2.0) will continue to rise as more tax credit projects report their final production data.

"After four full years, Program 2.0 is still working precisely as intended to retain production and bring jobs and spending to regions across California," added Bell. "We're thrilled that our uniquely targeted tax credit is delivering so much value for the Golden State."

The full 41-page Progress Report is available on the [CFC website](#). It provides a comprehensive overview of Program 2.0 through its fourth year (FY 2018-19). Sections cover approved film and TV projects, a breakdown of tax credits allocated, and a summary of project spending. The report also provides an overview of Program 2.0's Career Readiness Requirement, infrastructure usage/growth, sustainable filmmaking and an analysis of projects that applied but were denied tax credits (due to insufficient supply). It concludes with a look ahead at Program 3.0, which will go into effect when Program 2.0 sunsets June 30, 2020.

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 films, independent films, TV projects and relocating TV series. This allocation system 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

In 2014, the legislature passed a bill that more than tripled 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 fifth and final fiscal year (2019/20).

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/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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California Film & TV Tax Credit Program 2.0

Program Year 5 - Allocation # 3 Conditionally Approved Projects

	Production Title	Company Name	Production Type - Feature
1	24/7	Universal City Studios LLC	Non-Indie
2	Babylon	Paramount Pictures Corporation	Non-Indie
3	Dear Evan Hansen	Universal City Studios LLC	Non-Indie
4	Everything Everywhere All At Once	Hotdog Hands LLC	Indie
5	Girl Named Sue	Crazyrose / FDLBco	Indie
6	Janis	Atlas Entertainment	Non-Indie
7	Jesus Revolution	Jesus Revolutions, LLC	Indie
8	Little Shop of Horrors	Warner Bros. Pictures	Non-Indie
9	Rescue Rangers	Newsb 101 Productions, Inc.	Non-Indie
10	The Black Hole	New Regency Productions, Inc.	Indie
11	Untitled Lucy and Desi	Amazon Studios, LLC	Non-Indie
12	Untitled PTA 2020	Ghoulardi Film Company	Indie
13	Wouldn't It Be Nice	Newsb 110 Productions, Inc.	Non-Indie

* NOTE: "Janis" was accepted into the tax credit program previously but dropped out and reapplied for the current allocation round.

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	Babylon	Paramount Pictures Corporation
4	Birds of Prey	WB Studio Enterprises Inc.
5	Bright	FogTeeth Productions, LLC
6	Bumblebee	Paramount Pictures
7	Call of the Wild	Twentieth Century Fox Film Corporation
8	Captain Marvel	Warbird Productions, LLC
9	Ford v. Ferrari	Twentieth Century Fox Film Corporation
10	Island Plaza	Paramount Pictures
11	Little Shop of Horrors	Warner Bros.
12	Once Upon a Time in Hollywood	PM Film Fund I, LLC
13	Space Jam 2	Warner Bros.

California Film & TV Tax Credit Program 2.0

Out-of-Zone Film Projects

Production Title	Feature Type	Out of LA Area Filming Days	Total Filming Days	Out of LA Area Counties
A Wrinkle in Time	Non-Indie	5	73	Humboldt
A Star is Born	Non-Indie	5	40	Riverside
American Pie Presents: Girls Rule	Non-Indie	11	22	TBD
Babylon *	Non-Indie	5	73	Ventura County
Beautiful Boy	Non-Indie	10	41	Marin, San Francisco, Sonoma,
Bird Box	Non-Indie	14	45	Del Norte, Santa Cruz
Bumblebee	Non-Indie	28	73	Inyo, Marin, Mono, San Francisco, Santa Cruz, Solano
Captain Marvel	Non-Indie	9	80	Fresno, Kern
CHiPs	Non-Indie	18	46	Orange County
Destroyer	Indie	4	33	Ventura
Fairyland	Indie	27	27	San Francisco
Flying Horse	Non-Indie	50	50	Sacramento
Ford v. Ferrari	Non-Indie	22	67	Kern, San Bernardino, Orange, Ventura, Los Angeles
Girl Named Sue *	Indie	35	35	Butte, Sacramento
Island Plaza	Non-Indie	21	73	Kings, Mammoth, San Diego
Janis *	Non-Indie	8	36	San Francisco County
Jesus Revolution *	Indie	2	40	Orange County
Jexi	Non-Indie	30	30	Alameda, San Francisco
King Richard	Non-Indie	10	50	TBD
Magic Camp	Non-Indie	1	40	Orange
Palm Springs	Indie	9	25	Riverside
Pandora	Indie	2	48	TBD
Purge 5	Non-Indie	25	45	San Diego
Rescue Rangers *	Non-Indie	4	60	Riverside County
Revenge	Indie	28	30	Nevada County, Solano, Lake Tahoe
Rim of the World	Indie	6	40	Ventura, Mono
Suburbicon	Indie	4	43	Orange
The Devil Has A Name	Indie	10	25	Kern
Torrance	Non-Indie	14	38	San Bernardino
Twin Peaks	Indie	14	111	Riverside
Unbroken - Path to Redemption	Non-Indie	2	20	Oxnard
Untitled Atomic Monster Project	Indie	10	41	TBD
Untitled PTA 2020 *	Indie	10	45	Ventura County
Untitled Wonderland Project	Indie	24	30	Ventura, San Bernadino, Riverside, Kern, San Diego, Orange
Us	Non-Indie	14	40	San Bernardino, Santa Cruz
Vice	Indie	5	56	Ventura

* Selected for the latest tax credit allocation.

Note: List subject to change; figures are estimates.