PROGRESS REPORT

December 2020

Film and Television Tax Credit Program
California Film Commission

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ABOUT THE CALIFORNIA FILM COMMISSION

The California Film Commission (CFC) was created in 1984 as a state agency to enhance California's position as the premier location for all forms of media content creation.

The CFC supports film, television, and commercial productions of all sizes and budgets by providing one-stop support services including location and troubleshooting assistance, permits for filming at state-owned facilities, and access to resources including an extensive digital location library. The CFC also administers the state's Film & Television Tax Credit Program and serves as the primary liaison between the production community and all levels of government (including local, state, and federal jurisdictions) to facilitate filming in-state.

The CFC supports a production-friendly environment to retain/grow production jobs and economic activity statewide. It works in conjunction with more than 50 local film offices/commissions (Regional Film Partners) across California to manage filming-related issues and requests. More information is available at http://www.film.ca.gov.

EXECUTIVE SUMMARY

The entertainment production industry in California came to an almost complete stand still as a consequence of the Covid-19 pandemic when the State implemented the Stay at Home Orders in March 2020. Other than some pre- and post-production activity, production was shuttered across the state. In June, production was allowed to resume under modified public health orders. Despite these challenges, Program 2.0 (July 2015 – June 2020) produced a substantial economic impact to the state. With an investment of $1.55 billion in tax credit reservations, approved productions are on track to generate nearly $11.2 billion in direct in-state spending. This includes $3.9 billion in qualified wages to below-the-line crew members, $3.6 billion in qualified vendor expenditures, and another $3.7 billion in other expenditures which do not qualify for tax credits. Collectively, these productions are hiring more than 34,173 cast and 43,862 crew members, and 744,955 background performers, the latter figure measured in 'man-days'.

❖ **Relocating TV Series** Program 2.0 gained 18 television series from various locales: Florida, Georgia, Louisiana, Maryland, New York, New Jersey, North Carolina, Texas, Vancouver, and Ireland. Collectively, these projects are contributing more than $2.1 billion in direct spending in California, including nearly $709 million in qualified wages.

❖ **Big Budget Films** Program 2.0 expanded eligibility to include projects with budgets over $75 million. To date, Program 2.0 has attracted 13 such big-budget feature films resulting in $1.2 billion in direct spending in California.

❖ **Regional Filming in California** Added incentives are given to projects that film outside the Los Angeles region. Out-of-zone filming also increases the Jobs Ratio score for each applicant. Tax credit projects have spent a total of $144 million across 22 counties outside of Los Angeles.

❖ **Career Readiness Requirement** Approved projects are required to facilitate a career-based learning opportunity to introduce individuals careers in the entertainment industry. To date, this requirement has generated $464,000 in financial contributions, 180 internships, 36 teacher externships and 358 professional skills tours for students and faculty members.

❖ **Infrastructure Usage and Growth** Los Angeles is home to over 140 production facilities with over 6.2 million total square feet of space. These facilities breakdown as follows: 57% of the L.A. stages are independently owned operators, 17% are owned by Hollywood studios.

❖ **Sustainability and Filmmaking** Motion Picture Association member companies continue to promote sustainability measures to reduce the industry's carbon footprint. Film and TV tax credit recipients earning a Green Seal from Environmental Media Associate include *Captain Marvel*, *This is Us*, *Mayans MC, Us*, and *American Horror Story.*

❖ **Diversity and Inclusion** An analysis of the projects that have submitted final figures revealed that 75% of hires were males, while 25% were females. Females were underrepresented throughout all production categories.

❖ **Lost Productions** Productions continue to flee California in pursuit of more lucrative tax credits. Based on a survey, about 67% of projects that applied but did not qualify for tax credits left California, showing a total in-state loss of $3.8 billion. Total runaway production losses are presumed to be much higher, as the CFC is unable to track projects that simply elect to film elsewhere (without first applying for the state's film and television tax credit program) or that are ineligible.

❖ **Global Competition** Worldwide competition for films and TV projects continues to siphon production from the state. The industry continues to pursue other jurisdictions that offer robust tax credits, significant infrastructure, and generous visual effects incentives.

Program 3.0: In August 2018, the legislature enacted the third iteration of the California Film and Television Tax Credit Program. Dubbed Program 3.0, it is a five-year incentive that went into effect in July 2020, when Program 2.0 expired. This report includes a section delineating some of the major changes between Program 2.0 and Program 3.0 which include more funding for independent productions, a new pilot skills training program that targets underserved communities, and a requirement that productions provide diversity initiatives as well as antiharassment policies.

INTRODUCTION

The California Film Commission (CFC), housed under the Governor's Office of Business and Economic Development, administers the state's film and television tax credit programs. The programs were created as targeted economic stimulus initiatives designed to increase film and television production, jobs, and tax revenues in California. The CFC issues an annual report to provide the public with an assessment of each program's economic benefit to the state, as well as statistical information and insights into California's entertainment production industry. This report provides an overview of the second iteration of California's tax credit program (Program 2.0) as it wrapped up its 2019-2020 fiscal year on June 30, 2020. It includes a five-year breakdown of tax credits allocated, a summary of big-budget films, an analysis of television series that relocated to California, regional filming data, the career readiness requirement, and sustainability. New in this report is the diversity and inclusion section summarizing diversity information for cast and crew hired for projects participating in Program 2.0.

Every fiscal year, the CFC collects data from projects that submitted applications but ultimately did not receive tax credits. This report also provides an analysis of the runaway productions that ultimately left California to film in other parts of the country and world that offer competing tax incentives to lure productions to their locales. As in prior years, data shows growing global competition, as other U.S. regions and countries build or improve production infrastructure to entice filmmakers. Despite the growing competition, this report includes encouraging data that shows increased employment in California among major industry labor unions coinciding with implementation of Program 2.0.

Regardless of growing infrastructure and competitive tax credits, all productions came to a halt in mid-March due to the Covid-19 global pandemic. Included in this report is a discussion on the impact to production in California caused by the Covid-19 pandemic. This report also includes an introduction to the new Film & Television Tax Credit Program 3.0.

Motion Picture and Television Industry Employment

With an increase of eight percent from 2018, the global theatrical and home/mobile entertainment market reached $101 billion in 2019.[1] According to a report by the Motion Picture Association, the entertainment industry made $36.6 billion in the United States alone in 2019, which shows a four percent increase from the previous year. With $49 billion in payments to over 280,000 local business, the motion picture and television industry generates millions of jobs across the United States.

MOTION PICTURE AND TELEVISION INDUSTRY EMPLOYMENT (Continued)

The Motion Picture Association reported the following employment data for 2019.

- The film and television industry in the United States supported 2.5 million total jobs, with about 892,000 direct jobs, placing the industry as a major private sector employer. More than 570,000 direct jobs were engaged in distributing motion pictures and television shows and video content; in addition, 319,000 direct jobs were reported under producing, marketing, and manufacturing motion pictures, television shows, and video content.
- The California motion picture and television industry is responsible for 212,520 direct jobs, totaling to an estimated $28 billion in wages.
- Direct production jobs equaled 129,300, while 83,220 jobs in California in 2019 were related to distributing movies, television, and other video content to consumers.
- Jobs totaling to 664,810 were included as indirect and induced impact on local vendors and other businesses.

The California Employment Development Department (EDD) administers the Unemployment Insurance and State Disability Insurance programs, audits and collects payroll taxes, connects job seekers with employers, and gathers, analyzes, and publishes labor market information. Under EDD, the Labor Market Information Division (LMID) is the official source for California Labor Market Information. The LMID collects, analyzes, and publishes statistical data and reports on California's labor force, industries, occupations, employment projections, wages and other important labor market and economic data. Several sub-entities within the motion picture and television industry in California show employment growth, as compared to 2018.[2]

- Motion picture and sound recording employment increased from 158,000 to 159,600 between 2018 and 2019.
- Motion picture and video industries employment from 154,400 to 155,300 between 2018 and 2019.
- Motion picture and video production employment increased slightly from 120,300 to 120,500 between 2018 and 2019.

Further review of LMID statistics shows a positive trend in motion picture industry employment from 2015 to 2019. The chart below exhibits employment data for years 2015 to 2020 for specific arts, media, and entertainment industries under the motion picture, sound recording, and video production.

EMPLOYMENT DATA	2015	2016	2017	2018	2019
California Motion Picture Hires*	419,800	481,000	438,300	433,200	435,400

*Source: CA Employment Development Department

TAX CREDIT PROGRAM OVERVIEW

Governor Edmund G. Brown, Jr. signed bipartisan legislation establishing the Film & Television Tax Credit Program in September 2014. Enacted by AB 1839 (Gatto, Statutes of 2014, Chapter 413), created a five-year program beginning in fiscal year 2015-2016 and running through fiscal year 2019-2020.

TAX CREDIT PROGRAM OVERVIEW (Continued)

(See Appendix A for Enacting Legislation.) Known as Program 2.0, the legislation was aimed at retaining and attracting production jobs and economic activity across the Golden State.

Project Eligibility and Allocation Funding

Under Program 2.0, a qualified motion picture may be a feature film (independent or non-independent), made for television movie, mini-series, television pilot, or new or relocating television series. A project must meet one of the following conditions in order to be eligible to apply: 1) A minimum of 75% of the production budget must be incurred and used for goods, services and/or wages within California, or 2) A minimum of 75% of total principal photography days must occur wholly in California. Once one of the two requirements are met, projects are eligible to receive a 20% or 25% tax credit on qualified spending, according to the production type.

TAX CREDITS PER PROJECT CATEGORY

25%

Relocating Television Series regardless of episode length that filmed its most recent season (minimum 6 episodes) outside California. The non-transferable credit is reduced to 20% after the first season filmed in California. (Non-transferrable)

Independent Films with no budget cap, but credits apply only to the first $10 million of qualified expenditures. Independent Films are produced by companies which are not owned or affiliated more than 25% with a publicly traded company. Credits are transferable.

20%

Feature Films (Non-Independent) with no maximum budget cap, but credit allocation applies only to the first $100 million in qualified expenditures. (Non-transferrable)

New or Recurring Television Series for any distribution outlet at least 40 minutes per episode, excluding commercials; one-half hour shows, non-scripted series and other exclusions apply. (Non-transferrable)

Television Pilots for any distribution outlet, scripted series at least 40 minutes per episode, excluding commercials. (Non-transferrable)

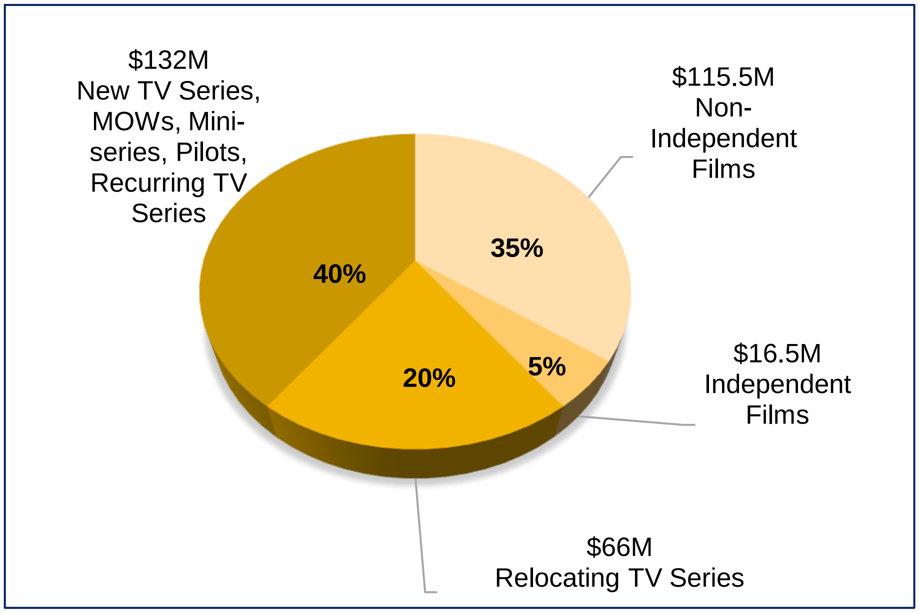
Movies-of-the-Week and Miniseries (Non-transferrable)

In addition to the 20% tax credit, non-independent projects under Program 2.0 may receive an additional 5% tax credit, called an uplift, for shooting outside the City of Los Angeles 30-mile zone, qualified expenditures for visual effects, and/or music scoring/track recording in-state.

Each fiscal year, the $330 million funding availability is divided into four different funding buckets that target the different categories of production. The following chart shows available funding for each category.

TAX CREDIT PROGRAM OVERVIEW (Continued)

ANNUAL FUNDING CATEGORIES



Ranking and Selection

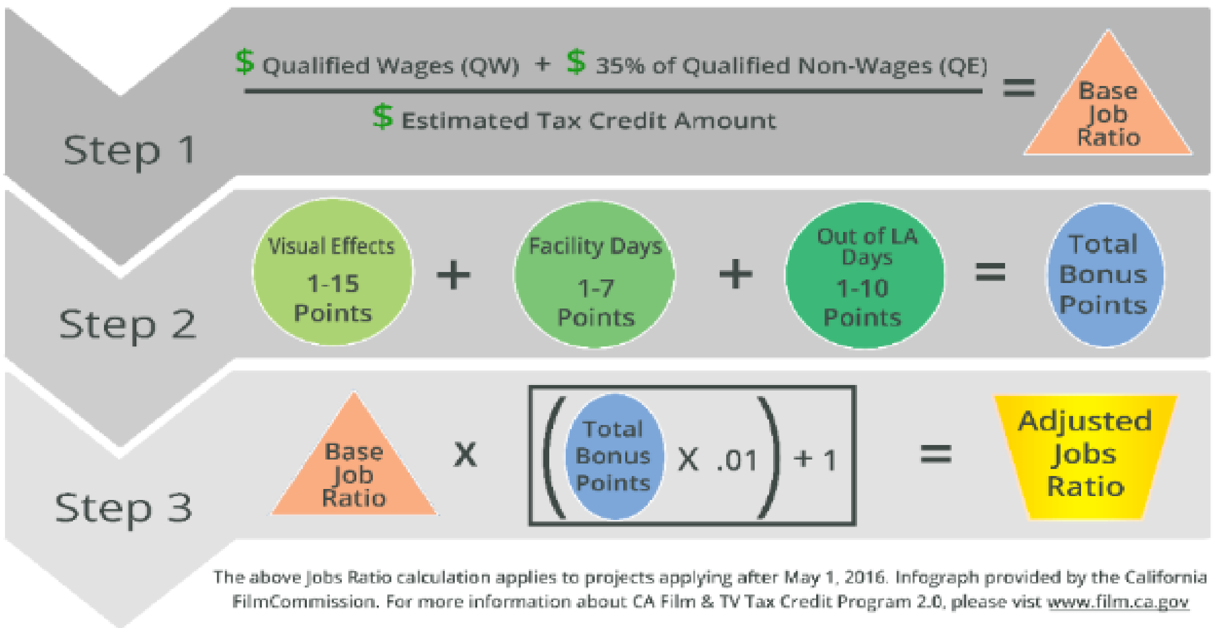
Program 2.0 uses a Jobs Ratio Ranking system to select projects for tax credits; this ranking system replaced the random lottery process used under Program 1.0. Since projects compete against projects in the same category, separate application windows were held for television projects (new TV series, recurring TV series, pilots, mini-series, and relocating TV series) and feature films (non-independents and independents). As each project enters information in the application portal, a Jobs Ratio score is determined. The Jobs Ratio score is a prescribed formula that includes the amount of qualified wages the project will generate, plus 35% of qualified non-wage expenditures. This figure is then divided by the estimated amount of tax credit allocated; this initial step generates the base Jobs Ratio. Projects may increase their final Jobs Ratio score by adding bonus points to the calculation. Bonus points are accrued for any activities in three areas: in-state spending on visual effects, filming outside the City of Los Angeles 30-mile zone, and filming at approved production facilities. The final step calculates the base Jobs Ratio with the total bonus points;

The Jobs Ratio was revised at the beginning of fiscal year two. The spread for visual effects bonus points increased from 10 to 15 points; this was to help offset a decrease in Jobs Ratio caused by visual effects spending, which is considered a non-wage spend. Additionally, bonus points for shooting outside the City of Los Angeles 30-mile zone increased to a maximum of 10 points, from eight. While the points spread increased between the bonus points factors, the maximum amount of percentage points each project may receive remained at 25 percentage points.

TAX CREDIT PROGRAM OVERVIEW (Continued)

Using each project's Jobs Ratio score, applications are ranked from highest to lowest against comparable projects. The CFC reviews applications with a Jobs Ratio score within the top 200% -- those that would qualify if double the amount of funding was available for the current application period. The top 200%

JOBS RATIO CALCULATION



projects move to Phase II for further evaluation and review. Credit allocation letters are awarded to the top 100% projects until the available credits for each category are exhausted. The remaining applications not selected are placed on the waitlist. Credits are issued to the next project on the waitlist as they become available when approved projects withdraw from the program; if there are no projects on the waitlist, any remaining credits are rolled into the next applicable application period. Waitlists expire at the beginning of the next application period for each dedicated funding category. A waitlisted project may reapply during any subsequent application period if it has not yet begun principal photography.

The CFC publishes the lowest Jobs Ratios at the beginning of each allocation window. The data is based on applications received during prior application periods. Applicants are advised that these numbers should not be relied upon as a guaranteed Jobs Ratio minimum for future application periods. Since applications are ranked within each category based upon their Jobs Ratio score, the lowest adjusted Jobs Ratios for the projects that received a reservation of credits vary from one allocation window to the next. The Program Statistics portion in this Report provides further details.

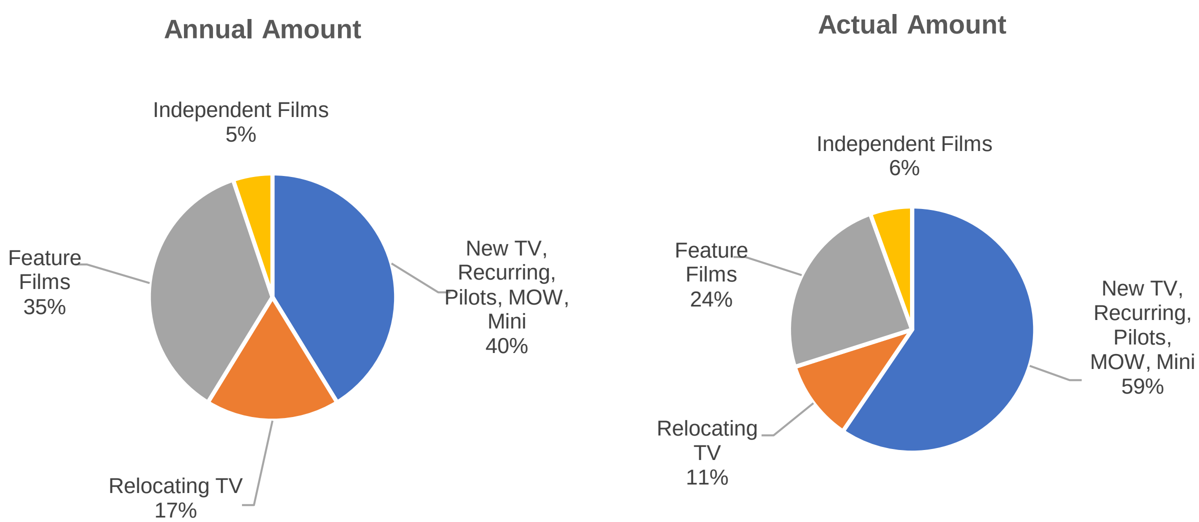
PROGRAM 2.0 STATISTICS

Conducting multiple application periods each fiscal year for film and television tax credits, the CFC has approved hundreds of productions that generated thousands of jobs and billions of dollars in direct wages across the Golden State. This next section of this Report provides details on lowest Jobs Ratios admitted in the program, specific funding allocation per category, types of approved projects, aggregate summary of California expenditures, and employment statistics.

Allocated Funding

The enacting statute established specific percentages of fiscal year funding available for each production category. The CFC is authorized to allocate any unused tax credits from a specified category to another category with higher demand for tax credits, notwithstanding certain limitations. As a result of project withdrawals and high demand for specific categories, there is a variance between the annual funding categories versus actual funding for program years one to five.

ACTUAL FUNDING CATEGORIES
PROGRAM YEARS 1 - 5



NOTE: **Figures include estimates and are subject to change.**

Since the statute allows for the rollover of unused tax credits particularly for Recurring TV Series, this category accounts for 59% of actual allocation for years one to five. Along with Recurring TV Series, other production types accepted in this category include New TV Series, Pilots, Mini-Series, and Movies of the Week. Feature Films received 24% of the funding, while Relocating TV Series accounted for 11%. Independent Films did not deviate as much from their 5% yearly funding, as

PROGRAM 2.0 STATISTICS (Continued)

they received 6% of the overall funding for Program 2.0. Figures are subject to change, as some projects have not submitted their funding for Program 2.0. Figures are subject to change, as some projects have not submitted their final documentation with actual figures.

Project Types

Out of the 1,383 projects submitted between 2015 to 2020, 238 were projects approved as part of the Film and TV Tax Credit Program 2.0. Independent films accepted into the program account for 37 projects, including *Marriage Story*, nominated for 6 Academy Awards, and *Bad Hair,* which received rave reviews when it premiered at Sundance in 2019. Between 2015 to 2020, 56 Feature Films were accepted into Program 2.0, including several Academy Award winners and nominees such as, *A Star is Born, Ford v Ferrari, Once Upon a Time in Hollywood*, and *Us*. Television projects lead the number of approved projects in Program 2.0, with 18 relocating TV series and 127 new and recurring television series, pilots, movies of the week, and mini-series, with many (such as *This Is Us* and *Westworld*) garnering awards and nominations.

APPROVED PROJECTS PER PRODUCTION TYPE

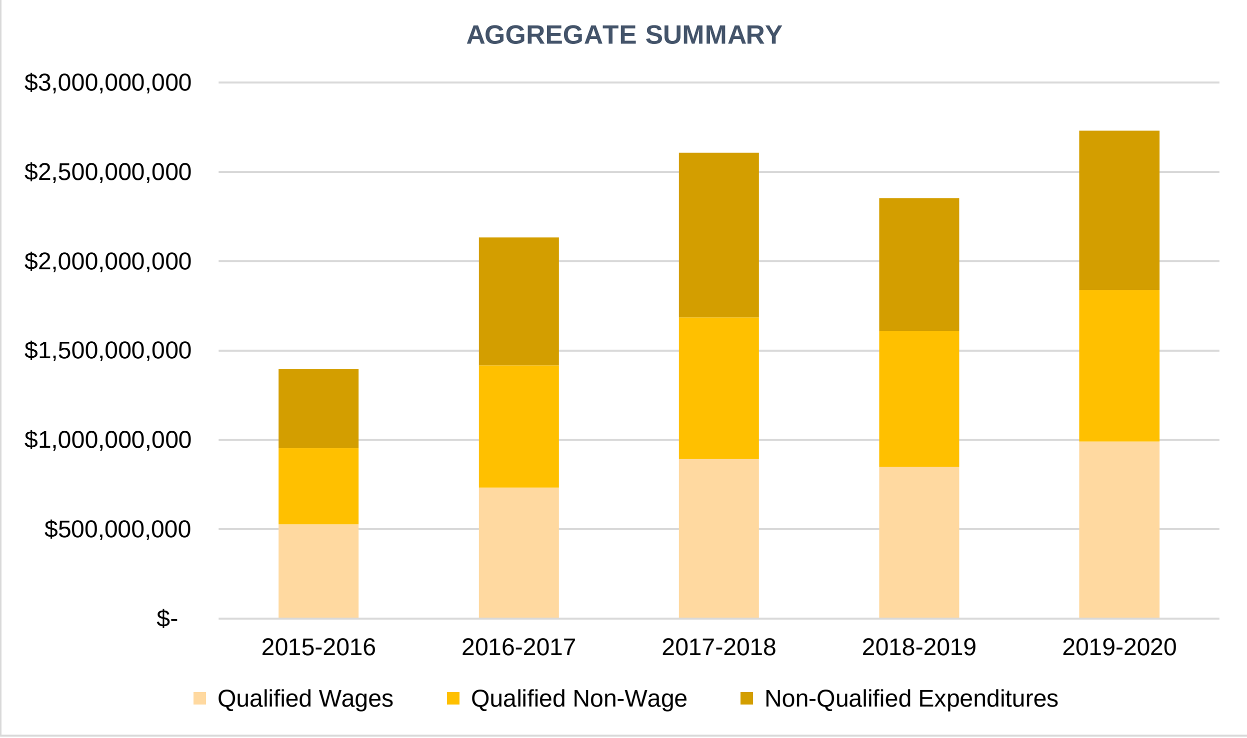
Project Types	Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
New TV	12	7	5	3	3	**30**
Recurring	6	16	17	19	18	**76**
Pilot	11	5	2	0	0	**18**
MOW	2	0	0	0	0	**2**
Mini-Series	1	0	0	0	0	**1**
Relocating TV	5	6	1	4	2	**18**
Features Films	8	7	12	9	20	**56**
Independent Projects	2	10	8	6	11	**37**
TOTAL	**47**	**51**	**45**	**41**	**54**	**238**

Summary of California Expenditures

Approved projects in Program 2.0 generated $11.2 billion in direct expenditures in California from 2015 until 2020. These expenditures include $3.9 billion in qualified wages; this total does not include compensation paid to actors, writers, producers, directors, or other above-the-line workers, as these salaries do not qualify for tax credits. A total of $3.6 billion in qualified vendor expenditures and another $3.7 billion in expenditures, which do not qualify for tax credits, were contributed by the 238 approved projects in the Tax Credit Program 2.0.

PROGRAM 2.0 STATISTICS (Continued)

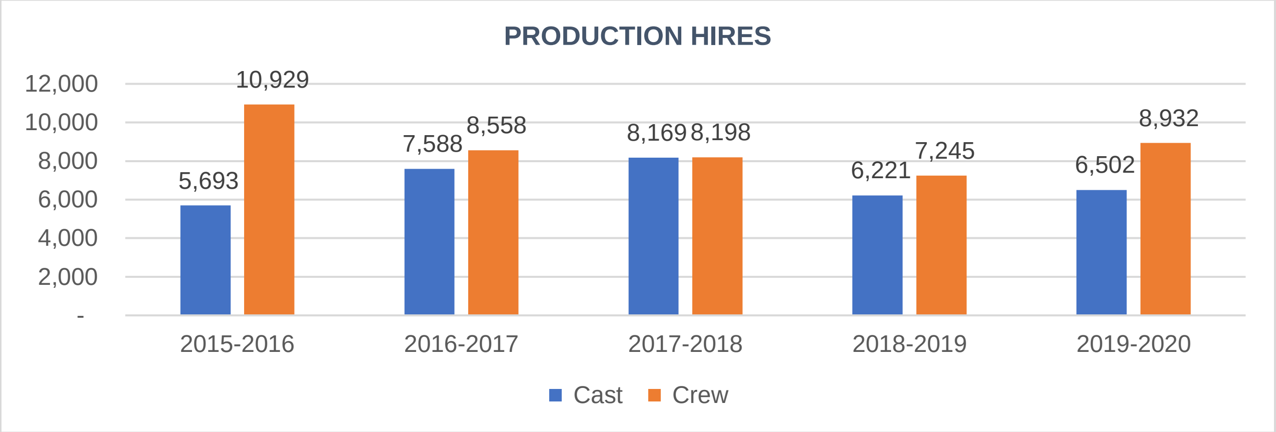
During fiscal year 2015-2016, the CFC approved 47 out of the 537 applications received. These projects generated $527 million in qualified wages, $423 million in qualified non-wage expenditures, and $443 million in non-qualified expenditures. A total of $1.3 billion in spending was generated in the Golden State during the first year of Program 2.0. The subsequent fiscal year, 51 approved projects (out of the 235 projects that applied) generated an overall in-state spend of $2.1 billion. Qualified wages totaled $733 million and payments to California vendors during the year of 2016-2017 equaled $682 million. Certain expenditures do not qualify for tax credits as per the statute; $717 million of non-qualified expenditures were incurred by approved productions. During fiscal year 2017-2018, the non-qualified spend increased to $922 million. The forty-five approved projects (out of the 220 submitted) paid out $892 million in qualified wages and $792 million in qualified non-wage expenditures. These expenses garnered $2.6 billion in total California expenditures. With a lower number of projects submitted and approved in the program for fiscal year four (180 and 41, respectively), expenditures under the non-qualified category fell to $743 million. Qualified expenditures totaled $850 million for wages and $760 million for non-wages. The total California expenditures for the 2018-2019 fiscal year were $2.3 billion. For the final year of Program 2.0 (fiscal year 2019-2020), 211 projects submitted a tax credit application. Fifty-four approved projects generated $992 million in qualified wages, $847 million in non-wage spending, and $847 million in non-qualified expenditures. Year-five projects generated a total of $2.7 billion in expenditures, both qualified and non-qualified, in California.



PROGRAM 2.0 STATISTICS (Continued)

Production Hires

The chart below illustrates cast and crew hires for each fiscal year. The total amount of production crew hired under Program 2.0 between 2015 to 2020 amounts to 43,862. This does not include the thousands of individuals working in ancillary businesses, or employees of companies that are hired to provide services. *(See Appendix B for Program 1.0 statistics.)*



Background Performers

Measured as the number of days worked times the number of jobs hired, the total amount of background performers under Program 2.0 is estimated at 744,955 man-days. *Penny Dreadful: City of Angels*, a relocating television project from Dublin, Ireland, reported hiring 10,230 background performers during its first season in California. The independent film, *VICE* hired the greatest number of background performers with a total of 11,534. *Ford v Ferrari*, a feature film directed by James Mangold, had numerous race car grandstand scenes which necessitated 11,963 background hires. Lastly, television series *13 Reasons Why,* filmed entirely out of the Los Angeles, hired 17,900 background players for its third season alone.

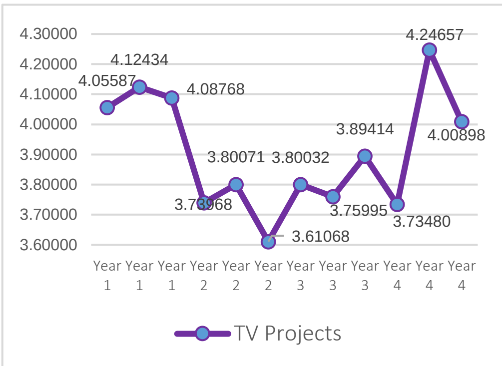
Lowest Jobs Ratios

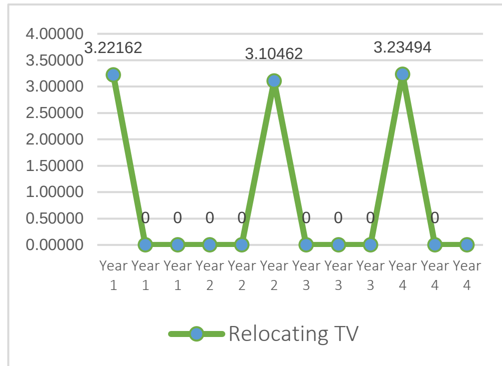
The CFC administered a total of 28 application windows, receiving 1,383 applications between May 2015 and June 2020. Each application window was dedicated to a specific project category – television projects and feature films. At the end of each allocation window, the California Film Commission tracks the lowest Jobs Ratios for projects which received a tax credit reservation in each production category. The lowest Jobs Ratio for accepted TV projects was 3.61068, while Relocating TV series lowest Jobs Ratio average was 3.10462. The lowest Jobs Ratio for accepted independent projects was at 3.26961, while the lowest ratio for non-independent projects was at 3.50755. Knowing the Jobs Ratio number from previous

PROGRAM 2.0 STATISTICS (Continued)

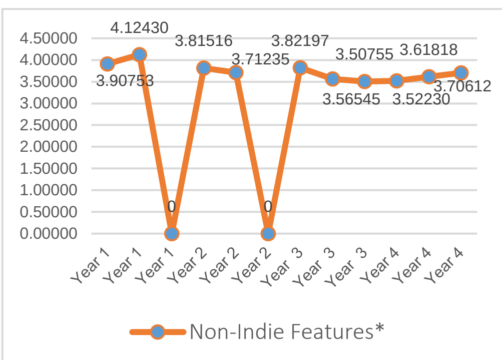
allocations is not necessarily an indication that another project with the same ratio will be accepted in the next round; it all depends on the other projects which apply during the same allocation period.

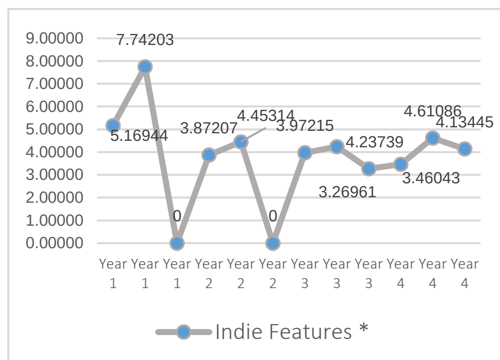
LOWEST JOBS RATIOS PER ALLOCATION WINDOW





NOTE**: The statute disallows the CFC to report any proprietary information, including distinct Jobs Ratios for any application windows with only one approved production.**





NOTE**: * Years 1 and 2 had two allocation periods; a third allocation window was added beginning year 3.**

RELOCATING TV SERIES

A relocating television series, regardless of episode length, that filmed its most recent season (minimum of 6 episodes) outside California is eligible to apply for tax credits. To date, a total of 18 television series moved to California under Program 2.0. Dedicated funding of $66 million each fiscal year ($286.2 million over 5 years) has attracted relocating television projects that generated $2.1 billion in total California expenditures between 2015 to 2020. To date, these 18 projects have filmed 359 episodes, employing 6,550 cast, 6,349 crew, and 133,612 background players, measured in man-days. Total qualified wages paid to California workers by these projects is estimated at $709 million.

The cast and crew of Relocating TV series *Penny Dreadful: City of Angels* express their thanks for keeping their jobs in California.

Program 2.0 has attracted relocating TV projects from across North America – Florida (*Ballers*), Georgia (*Good Girls*), Louisiana (*American Horror Story*, *Scream Queens*), Maryland (*Veep*), New Jersey (*Dream*), New York (*Sneaky Pete, The Affair, The OA, You*), North Carolina (*Secrets and Lies*), Texas (*ABC American Crime, Special*), as well as four series from Vancouver, Canada (*Legion, Lucifer, Mistresses, Timeless*), and *Penny Dreadful: City of Angels* from Dublin, Ireland. In-state filming has occurred in Alameda, Kern, Orange, Riverside San Bernardino, San Francisco, and San Bernardino counties. With four seasons filmed in the Golden State, *Lucifer* spent close to $400 million – providing a major boost in the California economy. Six seasons of Ryan Murphy's *American Horror Story* have generated a total of $361 million in spending, creating hundreds of jobs and sustaining local vendors in California. *(See Appendix B Table 2 for Program 1.0 Relocating TV Summary.)*

RELOCATING TV SERIES

Title	# of Seasons in California	Previous Filming Location	Qualified Wages for all Seasons in CA	Expenditures for all Seasons in CA	Tax Credit Allocation for all Seasons in CA
ABC American Crime	1	Texas	$ 12,201,811	$ 31,432,144	$ 5,010,840
American Horror Story	6	Louisiana	$ 137,308,516	$ 361,821,976	$ 47,826,647
Ballers	3	Florida	$ 46,873,588	$ 170,940,228	$ 20,039,030
Dream	1	New Jersey	$ 24,866,699	$ 53,826,712	$ 10,903,391
Good Girls	2	Georgia	$ 43,103,436	$ 107,037,779	$ 17,566,316
Legion	2	Vancouver	$ 45,550,876	$ 119,610,253	$ 19,940,879
Lucifer	4	Vancouver	$ 103,950,461	$ 399,306,321	$ 43,173,463
Mistresses	1	Vancouver	$ 13,394,396	$ 21,903,292	$ 5,473,502
Penny Dreadful: City of Angels	1	Ireland	$ 58,952,764	$ 133,218,760	$ 24,957,584
Scream Queens	1	Louisiana	$ 17,969,956	$ 46,099,075	$ 7,906,606
Secrets and Lies	1	North Carolina	$ 13,322,464	$ 36,272,587	$ 5,734,650
Sneaky Pete	1	New York	$ 21,071,013	$ 56,741,742	$ 9,204,308
Special	1	Texas	$ 3,646,970	$ 9,966,684	$ 1,583,870
The Affair	2	New York	$ 38,521,178	$ 106,332,328	$ 15,106,429
The OA	1	New York	$ 18,516,455	$ 118,115,178	$ 8,202,967
Timeless	1	Vancouver	$ 23,146,573	$ 59,653,082	$ 10,249,408
Veep	3	Maryland	$ 50,029,196	$ 179,885,501	$ 20,071,970
You	2	New York	$ 37,334,795	$ 95,727,372	$ 13,275,577
TOTALS			$ 709,761,147	$ 2,107,891,014	$ 286,227,437

Note: Estimated figures are updated as final expenditures are submitted to the CA Film Commission.

BIG-BUDGET FEATURE FILMS

Under the prior Tax Credit Program 1.0, films with budgets exceeding $75 million for non-independents and $10 million qualified expenditures for independents were not eligible to apply. Program 2.0 expanded project eligibility by eliminating the maximum budget cap for feature films. While productions of any size may now apply, the tax credit applies only to the first $100 million in qualified spending for non-independent films and the first $10 million for independent films.

To date, 13 films with budgets over $75 million have been accepted into Program 2.0 resulting in $1.6 billion in direct spending in California. *Captain Marvel* spent $185 million in the Golden State, followed closely by Warner Bros.' *Space Jam 2* with an estimated total California spend of $183 million. With an estimated release date of July 2021, *Top Gun: Maverick* boosted the California economy with $173 million in total California expenditures. Rounding out the over $100 million club are *A Wrinkle in Time, Babylon, Bright, Bumblebee, Call of the Wild, Deadwood, Ford v Ferrari,* and *Once Upon a Time in*

BIG-BUDGET FILMS (Continued)

Hollywood. Also contributing significantly job creation were *Birds of Prey* (with $97 million) and *Ad Astra* ($91 million).

Leonardo di Caprio with director Quentin Tarantino on set at *Once Upon a Time… in Hollywood*.

Collectively, the 13 projects hired 5,332 cast and crew members with a total of $540 million in qualified wages in California. Measured in man-days, the 13 big-budget features contributed 58,106 jobs for background players.

Notably, nine out of the 13 big-budget feature films engaged in principal photography outside Los Angeles, with a total of 121 shoot days in the following counties: Humboldt, Inyo, Kern, Marin, Mono, Orange, San Bernardino, San Francisco, San Luis Obispo, Santa Cruz, Santa Rosa, and Solano. Local economic gains were generated as a result of numerous big-budget features filming throughout the Golden State.

BIG-BUDGET FEATURE FILMS

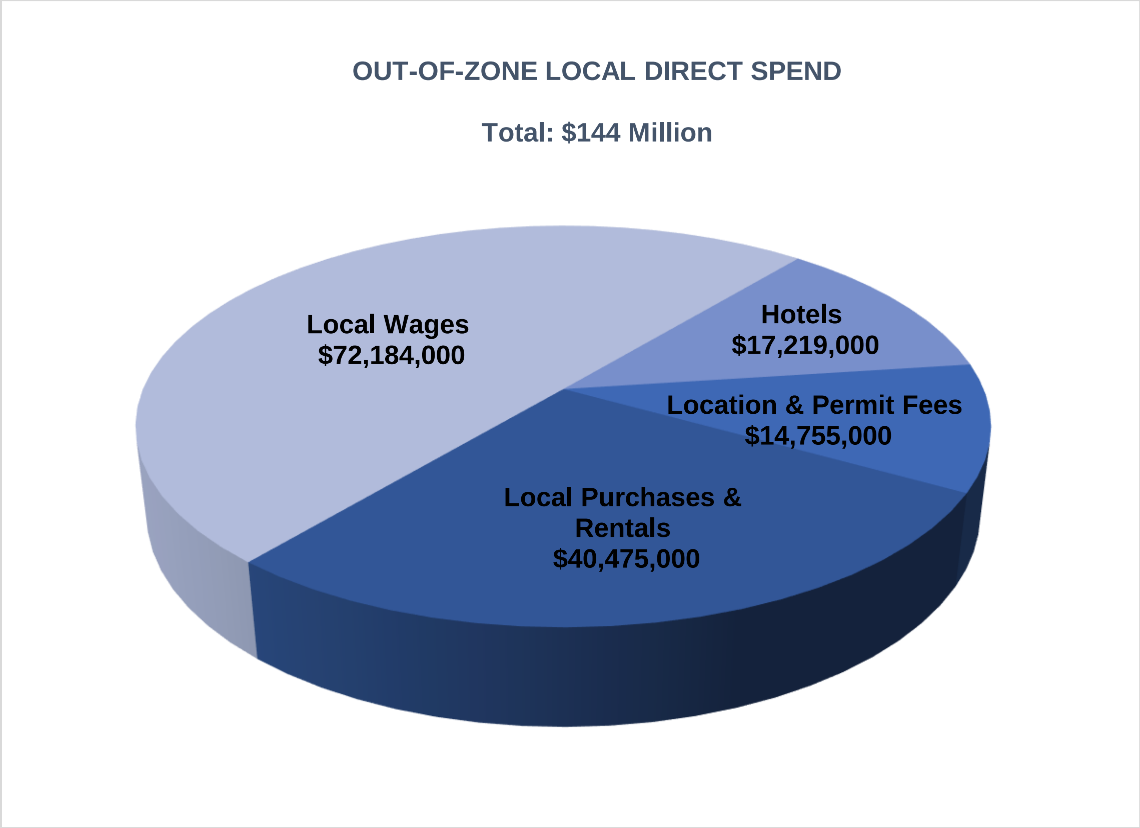
Project Title	Qualified Wages	Total California Expenditures	Tax Credits
A Wrinkle in Time	$ 40,480,000	$ 120,971,000	$ 17,217,000
Ad Astra	$ 31,801,000	$ 91,203,000	$ 2,500,000
Babylon	$ 46,994,000	$ 109,552,000	$ 17,512,000
Birds of Prey	$ 33,113,000	$ 97,145,000	$ 12,614,000
Bright	$ 37,406,000	$ 113,449,000	$ 7,233,000
Bumblebee	$ 46,883,000	$ 152,992,000	$ 21,818,000
Call of the Wild	$ 46,958,000	$ 109,004,000	$ 17,093,000
Captain Marvel	$ 69,341,000	$ 185,938,000	$ 20,755,000
Deadwood	$ 9,559,000	$ 116,887,000	$ 3,247,000
Ford v Ferrari	$ 40,359,000	$ 114,536,000	$ 14,886,000
Top Gun: Maverick	$ 50,913,000	$ 173,588,000	$ 21,491,000
Once Upon A Time In Hollywood	$ 43,244,000	$ 116,887,000	$ 16,021,000
Space Jam 2	$ 43,158,000	$ 183,717,000	$ 21,804,000
TOTAL	**$ 540,209,000**	**$ 1,685,869,000**	**$ 194,191,000**

Note: Estimated figures are updated as final expenditures are submitted to the California Film Commission.

REGIONAL FILMING IMPACT

With 33 million acres of forests, seven million acres of desert, 840 miles of coastline, 482 cities, and 58 counties, California's diverse filming locations serve various production types. Program 2.0 encourages productions to use locations throughout California. Non-independent projects that film outside the City of Los Angeles 30-mile zone are eligible to receive an additional five percent tax credit for related preparation, shooting, and completion costs incurred during the applicable period. *(See Appendix B for Program 1.0 Regional Filming Data.)* The City of Los Angeles 30-mile zone encompasses the greater Los Angeles area, where most filming typically occurs. The additional incentive for out-of-zone production applies only to non-independent films, as independents already receive the maximum 25 percent tax credit. Projects may also receive up to 10 bonus points to raise their Jobs Ratio score and increase their chance of being selected based on the percentage of filming days outside the City of Los Angeles 30-mile zone. When productions film on location outside the Los Angeles area, data reflects that they typically spend $50,000 - $150,000 *per day* in the local region.

REGIONAL FILMING IMPACT (Continued)



To date, more than two dozen feature films and television series spent an estimated $144 million outside the City of Los Angeles 30-mile zone. These expenditures include $72 million for local wages, $40 million in local purchases and rentals, $17 million for local hotels, and $14 million for location and permit fees. This spending benefits many small businesses, including grocers, hardware stores, gas stations, hotels, and other retail businesses, as well as local hires for services such as catering and set construction. In addition, such spending impacts local governments directly via payments made to local police and fire departments, as well as revenue from local permit fees. Forty-nine projects that filmed outside the City of Los Angeles 30-mile zone employed 126 cast, 1,854 crew, and 14,309 background players.

LOCAL EXPENDITURES OUTSIDE THE 30-MILE ZONE

See Appendix C for Local California Film Incentives

- DEL NORTE $902,000 *Bird Box*
- HUMBOLDT $499,000 *A Wrinkle in Time*
- MENDOCINO $1,516,000 *Bumblebee, Sharp Objects*
- EL DORADO $830,000 Top Gun: Maverick
- SONOMA $6,312,000 *13 Reasons Why, Beautiful Boy*
- NAPA $1,658,000 *13 Reasons Why*
- SOLANO $52,368,000 *13 Reasons Why, Bumblebee*
- MARIN $32,947,000 *13 Reasons Why, Beautiful Boy, Bumblebee*
- SAN FRANCISCO $13,516,000 *13 Reasons Why, Ballers, Beautiful Boy, Bumblebee, Jexi, Pitch, The OA*
- CONTRA COSTA $2,041,000 *13 Reasons Why, Top Gun: Maverick*
- ALAMEDA $3,843,000 *13 Reasons Why, Ballers, Behind Enemy Lines, Jexi*
- SAN MATEO $106,000 *13 Reasons Why*
- SANTA CRUZ $2,841,000 *Bumblebee, Bird Box, Us*
- MONO $848,000 *Bumblebee, Rim of the World*
- FRESNO $426,000 *Captain Marvel*
- INYO $327,000 *Bumblebee*
- KINGS $280,000 *Top Gun: Maverick*
- SAN LUIS OBISPO $33,000 *The Affair*
- KERN $1,840,000 *Captain Marvel, Devil Has a Name, Ford v Ferrari, Top Gun: Maverick*

- VENTURA $3,767,000 *Ballers, Ford v Ferrari, Magic Camp, Purge 5, Rim of the World, Rosewood, Scream Queens, The Babysitter 2, Unbroken, Vice*
- ORANGE $3,499,000 *Ad Astra, American Horror Story,*
- *Ballers, Chips, Ford v Ferrari, Lucifer, Magic Camp, Rosewood, Suburbicon, This is Us*
- SAN BERNARDINO $2,778,000 *Bumblebee, Ford v Ferrari, Purge 5, The Way Back, Us, Veep*
- RIVERSIDE $632,000 *A Star is Born, Twin Peaks*
- SAN DIEGO $11,853,000 *Animal Kingdom, Top Gun: Maverick, Pitch*
- IMPERIAL $97,000 *Mayans MC*

REGIONAL FILMING IMPACT (Continued)

Project Highlight: *Ford v Ferrari* (Feature Film)

Produced by Fox/Disney, *Ford v Ferrari* filmed in numerous counties throughout California. California doubled for many locales in the film, as the real events took place at Le Mans motorsports race in France's Loire Valley, Dearborn, Michigan, where the legendary Ford factory was located, and in Maranello, Italy. *Ford v Ferrari* -- filmed in the California counties of Kern, Orange, Ventura, San Bernardino, and Los Angeles -- had a total on-location spend of $3 million. The production spent $368,000 in hotels, $408,000 in location and permit fees, and $2.2 million in local purchases and rentals.

Ford v Ferrari
Local Community Spend: Kern, Orange, San Bernardino, Ventura

$3 Million
Total Out-of-Zone Expenditures

- $2.2 Million Local Purchases & Rentals
- $408,000 Location & Permit Fees
- $368,000 Hotels

Project Highlight: *13 Reasons Why* (TV Series)

Produced by Paramount and distributed via Netflix, the teen drama *13 Reasons Why* filmed all four seasons in Northern California, contributing millions of dollars to the local economy.

$90.2 Million
Total Out-of-zone Expenditures

- $55.8 Million Local Wages
- $26.1 Million Local Purchases and Rentals
- $5.1 Million Location and Permit Fees
- $3.1 Million Local Hotels

CAREER READINESS REQUIREMENT

The Career Readiness requirement mandates all applicants that receive a tax credit reservation to participate in career-based learning and training programs for students based in California. In collaboration with the California Department of Education and the California Community Colleges Chancellor's Office, the CFC developed the structure for participation for students and faculty members. The CFC is also engaged with non-profit organizations involved in career-pathway opportunities for high school and post-high school students, such as Film2Future, Ghetto Film School, HIRE LA's Youth, JVS SoCal, ManifestWorks, Streetlights, and Veterans in Media & Entertainment. To satisfy the Career Readiness requirement, applicants must choose one of the following methods of participation.

"I learned a great deal from being on set with *Birds of Prey*. Being on a large budget set with a WELL experienced crew was access that I had never received. I admire the camera team's professionalism and efficiency.

Intern Mya Dodson, Ghetto Film School
Birds of Prey

CAREER READINESS REQUIREMENT OPTIONS

Paid Internship	Provide students enrolled in an accredited high school, community college or approved career-based learning program three paid internship positions for a minimum of 75 hours each, or a combination of internships with a minimum of 75 hours per student to total 225 hours.
Classroom Workshop/Panel	Provide students enrolled in an accredited high school or community college a minimum of eight hours of classroom workshops or demonstrations conducted by entertainment industry professionals. Topics may include various aspects of the industry such as set operations, post-production, and specific technical crafts.
Professional Skills Tour	Provide students enrolled in an accredited high school or community college a minimum of eight hours of studio professional skills tours, which may include guided visits of sets and various departments, such as set construction, wardrobe, art, or editorial.
Faculty Externship	Provide a minimum of eight hours of continuing education for faculty and/or other educators to observe set operations, post-production, and other specialized departments.
Financial Contribution	Make a financial contribution to the California Department of Education (CDE) or the Foundation for California Community Colleges (FCCC). These funds are earmarked for use in arts, media and entertainment career- oriented programs. The minimum contribution for independent and non-independent productions is 0.25 percent of the estimated tax credit, with a minimum of $5,000 and a maximum of $12,000.

To date, 12 productions have participated in Classroom Workshops/Panels, while 32 conducted Professional Skills Tours. Twenty projects chose Faculty Externships, enabling 36 educators from Los Angeles, Orange, San Diego and San Francisco counties to immerse themselves on film sets. A total of 72 productions hired 180 students as paid interns who gained exposure to various departments including art, camera, grip, electric, wardrobe, and the production office; in aggregate, interns worked a total of 29,956 hours.

CAREER READINESS REQUIREMENT (Continued)

NUMBER OF PARTICIPANTS PER CAREER READINESS OPTION

180	Paid Interns Hired
36	Faculty Externships
358	Student Participants Professional Skills Tour
32	Faculty Members Professional Skills Tour

Seventy-six interns were from career-based workforce programs, 153 from Los Angeles area community colleges or high schools, and 20 from schools in San Diego, Sonoma, Ventura and Santa Clara counties. The interns were exposed to different departments during the production internship, such as accounting, art, camera, costumes, grip/electric, lighting, locations, make-up/hair, post-production, props, set, sound, wardrobe, and writer's room.

"The most important lesson I learned is to raise your hand. I volunteered to be the narrator for the very first table read, did a good job, and then ended up serving as the narrator for all 10 episodes throughout the season! I got to meet with every key member / executive on the team through that role!"

Intern Jasmine Adams, Access to Action
You Season 2

"That was an extremely important educational experience for anyone wanting to learn about our work in the industry. Being in a real-world environment is much different than reading the information in a book – also more so than the hands-on work in a school setting as it enables you to really 'see' how what one 'does' in school applied to the real world."

Aba Ngissah, Faculty, Inglewood Unified SD
Star Trek: Picard

Visual effects supervisor from the independent film *Rim of the World* conducting a visual effects workshop.

CAREER READINESS REQUIREMENT (Continued)

Financial contributions collected from 63 productions totaling $464,000 were disbursed by the California Department of Education Arts, Media and Entertainment (AME) Sector. Some of the funding was used to provide scholarships to underserved youth in order to attend the California State Summer School for the Arts. A $10,000 donation to AME Initiatives provided over 400 AME teachers the means to attend the AME Virtual Institute and receive ongoing professional development and resources.

CAREER READINESS PARTICIPATION BY PROJECT

72
- Paid Internships

29
- Professional Skills Tours

20
- Faculty Externships

12
- Classroom Workshops

62
- Financial Contributions

INFRASTRUCTURE USAGE & GROWTH

An approved Production Facility is any facility in compliance under Title 24, Chapter 48 of the California Fire Code and used by the entertainment industry for the purpose of film, television, commercial or digital production. A facility may also be a building or ranch that is used primarily for film, television, commercial or digital production. Tax credit applicants are able to increase their bonus points by filming at an approved facility, verified by the CFC prior to the start of principal photography. In order to receive facility days bonus points, the project's first unit crew must utilize a production facility for six hours or more for a principal photography day. If the first unit crew is utilizing a studio backlot location, it may also be noted as a production facility day. To date, approved productions have logged a total of 7,500 film days at approved production facilities.

FilmLA, the not-for-profit official film office of the City and County of Los Angeles, tracks sound stage production days in a report that analyzes the region's certified sound stages.[3] Each of the 84 production facilities in Los Angeles county make up at least 500,000 square feet of total space. In addition, more than 90 facilities represent another one million square feet of production space in Los Angeles county. FilmLA estimates a total of over 140 production facilities with over 6.2 million total square feet of space. Fifty-seven percent of L.A. county stages are independently owned, while 43% are owned by major Hollywood studios.

LOCAL SOUNDSTAGE GROWTH IN CALIFORNIA

AKS Stage and Rental

- Covid-compliant; 30 years of experience.
- 19,350 square feel of studio space.

Allied Studios

- Stage A, located in Simi Valley, opened in October with 10,000 square feet.
- Stage B under construction with 6,000 square feet; projected opening of Summer 2020 has been delayed.

Crimson Studios

- Studio 1, located in Culver City, opened Spring 2019 with 15,000 square feet.
- Currently have total 5 stages with over 40,000 square feet.
- Eight to 12 new stages with 300,000 - 400,000 square feet by end of 2020.

LA North Studios

- Recently acquired a 7,000 sq ft stage with office space on Avenue Rockefeller in Santa Clarita.
- Adaptive reuse of warehouses with three stages totaling 72,810 square feet, with plans for two additional stages that will add another 52,000 square feet of stage space.

Line 204

- Planning to break ground by the end of 2019 with new contractor. Update: Delayed.
- Opening a 240,000 square foot facility including office and support space in Sun Valley in summer 2021. Update: Delayed.

Mare Island - Bay Area

- Over 1 million square feet of buildings.
- Available for filming with over 200,000 square feet of stage space.
- Additional 5% of rebate on local spend.

NBC Universal

- In 2018, opened four additional soundstages of 18,000 square feet housing *The Voice* and *Will and Grace*.
- Evaluating construction of a new broadcasting center for the 2028 Olympics

Occidental Studios

- Have added 2 soundstages (19,600 sq feet) at Radford; total stages occupy 145,940 square feet
- In full capacity.

Quixote Studios

- North Valley / Pacoima Area
- The facility has five soundstages totaling 75,000 square feet of office space.

San Francisco - Treasure Island

- Over 115,000 square feet of production space.
- Includes 70,000 square feet of stage space.

Santa Clarita

- Added 6 news stages between 2019 to 2020, now total of 28 stages.
- Leased in January 2019 for 109,000 square feet of industrial space in Valencia.

Triscenic

- 5 new stages this year in and around Santa Clarita, for a total of 123,500 sq ft
- Will be opening two new stages in October: 1 in Valencia (15,000 sq ft) and 1 in Sylmar (26,000 sq ft)

Warner Bros.

- Now open - 36th stage.
- Converting an older building to offices and an additional 10,000 square foot soundstage by early 2020.

SUSTAINABILITY & FILMMAKING

In September 2020, Governor Gavin Newsom issued an Executive Order N-79-20 directing the state to require all new cars and passenger trucks sold in California be zero-emission vehicles beginning year 2035.[4] In keeping with California's sustainability leadership, the California Film Commission offers a Green Resource Guide designed to help productions minimize environmental impact. Adapted from the Producer's Guild of America's guide, the resource includes information on environmental guidelines and best practices, catering and craft services resources, contact information for recycling services, set construction upcycling, and wardrobe donation opportunities. Below is the description of California's motion picture company green filmmaking efforts.

MPA MEMBER COMPANY GREEN EFFORTS[6]

Disney
- Expanded use of renewable diesel available to all production trucks and generators in Burbank.
- Renewable diesel is made mostly from agricultural waste products and the life cycle carbon emissions are 70% lower than normal diesel.

NBC Universal
- Quadrupled its use of LED set lighting across its productions over the last few years and invested in advancing this cutting-edge technology with the NBCUniversal LightBlade. LED set lights use approximately 70 percent less power than conventional lighting and reduce the energy needed to cool production sets.

Paramount CBS
- Encouraged sustainability efforts through its "1, 2, 3, GREEN" campaign, which, in partnership with preferred vendors
- Cost savings and 350 metric tons of carbon avoided by using rechargeable batteries, electronic signatures, and water filters to replace bottled water.
- Expanded its Green Team initiative globally.
- The Green Teams encourage employees focus on sustainability by creating educational opportunities, implementing enhancements to studio facilities, and promoting sustainable protocols during the creation of content.

Sony Pictures Entertainment
- Columbia, TriStar and Screen Gems Legacy program supported 32 organizations.
- Focused on sustainability in 31 cities across nine countries, contributing approximately $100,000 toward community environmental efforts.
- Through planting trees or working with projects such as Flow's Genius of Space initiative in South Africa, the program supports local environmental activities.

Twentieth Century Fox
- Built on its ban on plastics by switching from compostable plastic straws to paper in all of its food outlets, adding to previous efforts to remove plastic bags and single use water bottles on the studio lot.
- Has eliminated nearly three million plastic water bottles.

Warner Bros. Entertainment
- Completed its fifth LEED™ project and its second LEED™ soundstage certified by the U.S. Green Building Council (USGBC), an 18,040-square foot facility featuring significant sustainable building measures, including a 110-kilowatt rooftop solar system, the third large solar system on the main lot.

SUSTAINABILITY AND FILMMAKING (Continued)

Environmental Media Association (EMA) is a non-profit organization that serves as an imperative connection between the arts, entertainment, and media industries and the environmental community. EMA's mission is to provide a unified voice for the planet through entertainment, storytelling and education, with a vision to empower a circular green economy that is healthy and safe.[7] One of the major campaigns organized by the Environmental Media Association is the EMA Green Seal Program. Using an application-based system, productions apply to receive Green Seal Recognition. Productions must exhibit sustainable measures as verified by the EMA staff; the EMA Gold seal is awarded to any production exceeding the environmental-conscious criteria set forth by the EMA and the production's sustainability department. In 2019, numerous California-made films and television series received these EMA seals, displaying a commitment to reduce their carbon footprint and promote green filmmaking. Several films and TV shows accepted into California's Film and TV Tax Credit Program 2.0 demonstrate sustainability measures to promote green filmmaking throughout their productions.

EMA GREEN AND GOLD SEAL RECIPIENTS 2019

Filmed in California Feature Films and Television Series

- *Captain Marvel**
- *Blackish*
- *Lucy in the Sky**
- *Rent Live**
- *American Horror Story**
- *Mayans MC**
- *Modern Family*
- *The Politician*
- *Stuber*
- *This is Us**
- *Dirty John*
- *Us**
- *World of Dance*
- *Sneaky Pete**
- *Supergirl*
- *IT: Chapter Two**
- *Lucifer**

**Tax credit projects.*

In 2019, UCLA Institute of Environment and Sustainability published a study titled *Analyzing On-Screen Sustainable Behavior and Message Placements*. The goal of the study was to address two main questions: 1) what sustainable and unsustainable behaviors occur most frequently in past and present TV shows?, and 2) what behaviors on television are the most relevant to the environmental problems we face in our society today?[8]

The researchers studied 50 of the most popular drama and comedy television series to analyze the demographics of the characters who engaged in both sustainable and unsustainable behaviors, the context of those behaviors, and how the frequency of such behaviors changed over time. With a total viewing time of 425 hours, coders were assigned to view five episodes each for all 50 shows, including tax credit recipients *This is Us* and *13 Reasons Why*. The researchers analyzed the gender, race, social class, and age of the main characters and whether they exhibit sustainable or unsustainable messages. The study

SUSTAINABILITY AND FILMMAKING (Continued)

found *minimal sustainable behaviors and placements in television and there was also no increase in sustainable behaviors or placements in recent shows compared to older shows.* Additionally, *many of the sustainable behaviors/placements that were evident were not high impact environmental behaviors such as eating a meatless meal*. Future studies should measure the effectiveness of sustainability behaviors shown in both films and on television.

Meals Without Meat

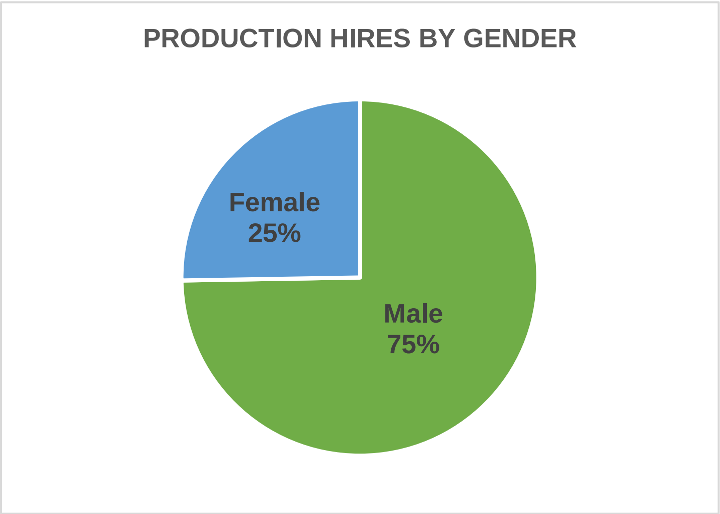
This is Us Season 2 Episode 3 (10:24)

Green Transportation

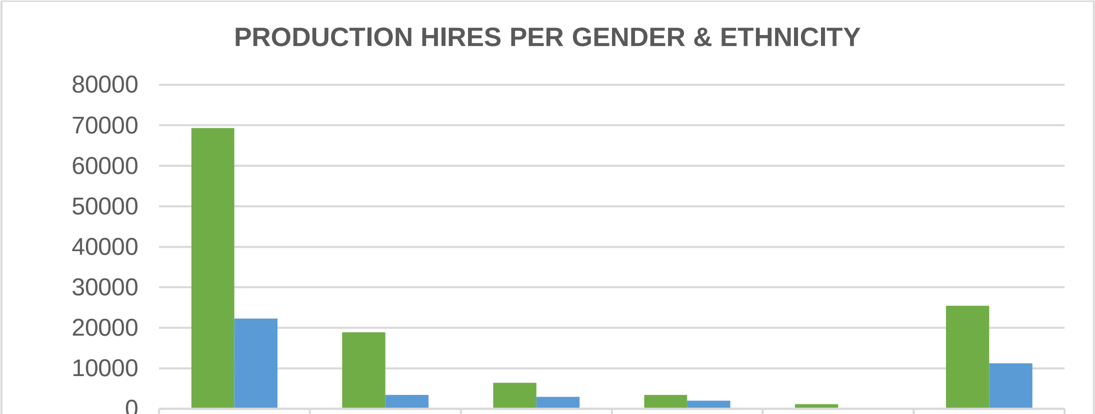
13 Reasons Why Season 1 Episode 2 (35:55) - Character rides bike instead of driving

DIVERSITY & INCLUSION

Since 2009, approved projects in the Film and TV Tax Credit Program are required to submit diversity information for cast and crew members hired. As this information is voluntarily supplied to the production, data submitted to the California Commission does not fully represent all cast and crew hired, including background performers. Under Program 2.0, the diversity information submitted was analyzed for projects that have already completed the project and received a tax credit certificate.



The sample consists of 159 projects, representing all production types – feature films, television series (new and recurring), pilots, mini-series, relocating television series, and independent films – submitted between 2015 to 2020. The following figures do not represent all the projects accepted into the program, as some projects are still under production and have not submitted final expenditure and production hire data to the California Film Commission. Excluding background performers, these 159 projects reported 166,837 production hires for cast and crew. Data shows that 124,683 hires were males while 42,154 hires were females, representing hires that were 75% male versus 25% female. The chart below outlines gender and diversity findings:



	Caucasian Hires	Hispanic Hires	African American Hires	Asian American Hires	Native American Hires	Ethnicity Other Hires
Male	69328	18935	6436	3389	1124	25471
Female	22321	3420	2992	2005	192	11224

DIVERSITY AND INCLUSION (Continued)

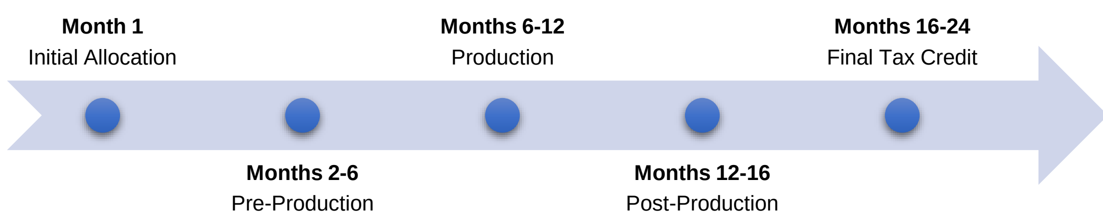
Special Note: Program 3.0

The statute for Program 3.0 includes several provisions to address the issues of diversity and inclusion in the entertainment business with respect to tax credit program projects. Program 3.0 requires all projects to provide a copy of initiatives and programs to increase the representation of women and minorities, including a description of what the program is designed to accomplish and information about how the program is publicized to interested parties. The CFC has been collecting those initiatives from approved projects. These initiatives provide many opportunities for women and minorities to gain experience and job opportunities, and include programs for diverse writers, actors, directors, and below the line occupations. Program 3.0 also requires all approved projects to submit information reported by their cast and crew regarding ethnicity and gender. While this information can only be given voluntarily, it can provide statistics to advance the efforts for diversity and inclusion in the tax credit program, which may be indicative of what is occurring generally in the entertainment sector.

TAX CREDIT ISSUANCE

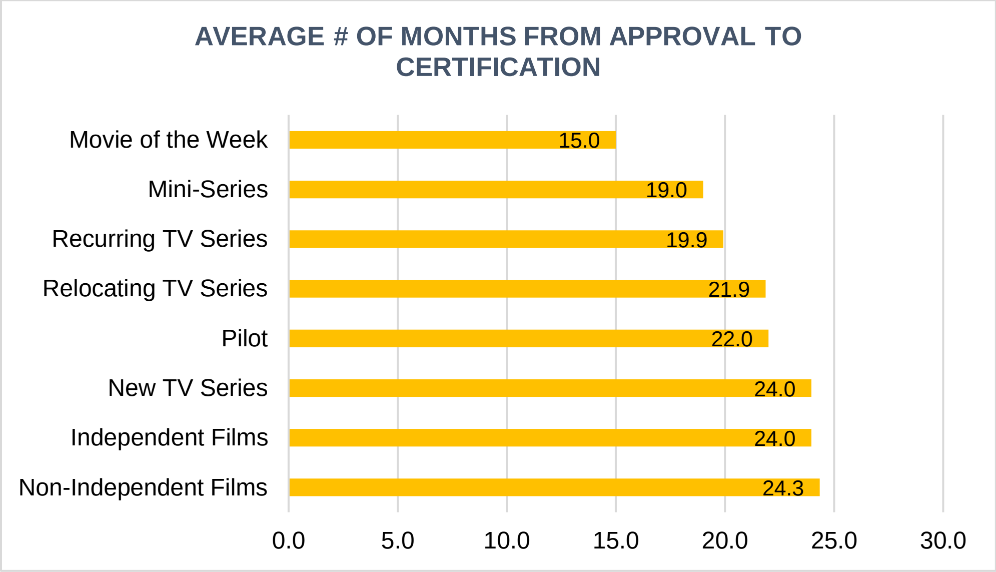
The initial allocation for each selected project is treated as a “reservation” of tax credits. Tax credit certificates are awarded only after selected projects: 1) complete post-production; 2) verify in-state expenditures (in accordance with their Jobs Ratio score); and 3) provide all required documentation, including cost reports audited by a Certified Public Accountant (CPA).

GENERAL TIMELINE FOR CERTIFICATE ISSUANCE



TAX CREDIT ISSUANCE (Continued)

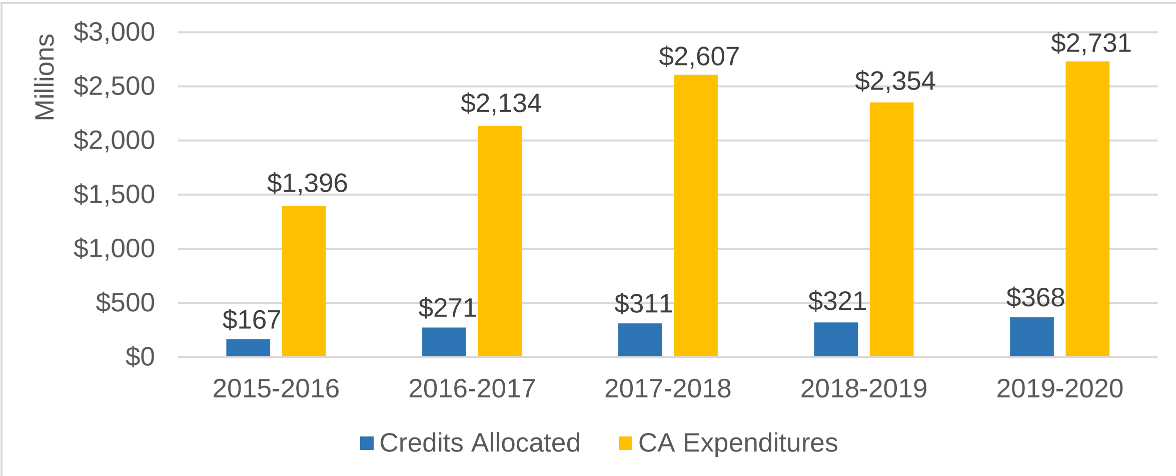
The CFC periodically conducts seminars for CPA firms interested in performing the Agreed Upon Procedures (AUP) for tax credit program applicants. A CPA firm is eligible to perform the AUP after it completes the orientation and has an acceptable peer review rating from its state board of review. Program 2.0's rigorous AUP has served as the model for several other states seeking to design their own audit procedures. During the AUP process, the CPA recalculates each project's Jobs Ratio score and compares it to the approved application Jobs Ratio score. Penalties apply if the final Jobs Ratio score has been reduced by a specified amount.



Due to long pre-production, production, and post-production schedules, applicants typically receive their tax credit certificate 18 to 24 months after their initial tax credit reservation. The CFC generally reviews and issues tax credit certificates within 20 business days of receiving an applicant's final documentation. Overall, the average number of months between the time a project receives a credit allocation and when the final certificate is issued is 22 months. A typical movie of the week project approved for tax credits receives final certification as early as 15 months from the date of approval, while mini-series average 19 months and recurring TV series average 20 months. Both pilots and relocating TV series take about 22 months, while new TV series, non-independent films, and independent films receive their final tax credit certificates an average of 24 months after receiving an approval letter.

TAX CREDIT ISSUANCE (Continued)

TAX CREDITS ALLOCATED VS. TOTAL CALIFORNIA ACTUAL OR ESTIMATED SPEND



The chart indicates the amount of tax credits allocated and the actualized or estimated amount of direct in-state spending generated by projects for program years one to five. In year one, $167 million of tax credits were allocated with $1.3 billion in generated expenditures by approved projects. The tax credit program mandates $330 million in funding each fiscal year, but due to project withdrawals, additional funding rolls over to the following fiscal year. Showing a 52% increase of in-state spending from fiscal year one to two, approved projects in year two generated $2.1 billion of in-state spending, while receiving a total of $271 million in tax credits. Approved projects in fiscal year three received $311 million worth of tax credits with a return to state expenditures of $2.6 billion, a 23% increase in all in-state spending from the previous year. A slight 9% decrease of in-state spending occurred in year four with $2.3 billion of in-state spending with $321 million in tax credits allocated. The total amount of in-state spending for year five increased by 16% compared to the previous year. With an allocation of $368 million of tax credits, projects generated $2.7 billion in total California expenditures. Overall, total California expenditures generated for wages and payments to in-state vendors exhibited a 95% growth from the first fiscal year of Program 2.0 to year five with a total of $11.2 billion.

CREDITS CLAIMED FOR PERSONAL INCOME TAX AND CORPORATION TAX FILERS [9]

GRAND TOTAL	Credit Claimed by Corporations	Credit Claimed by Personal Income Tax Filers
$491,859,000	$489,585,000	$2,275,000

TOTAL AMOUNT OF CERTIFIED CREDITS CLAIMED BY QUALIFIED TAXPAYERS FOR SALES AND USE TAX [10]

GRAND TOTAL
$150,725,000

TAX CREDIT ISSUANCE (Continued)

Special Note: Utilizing Tax Credits

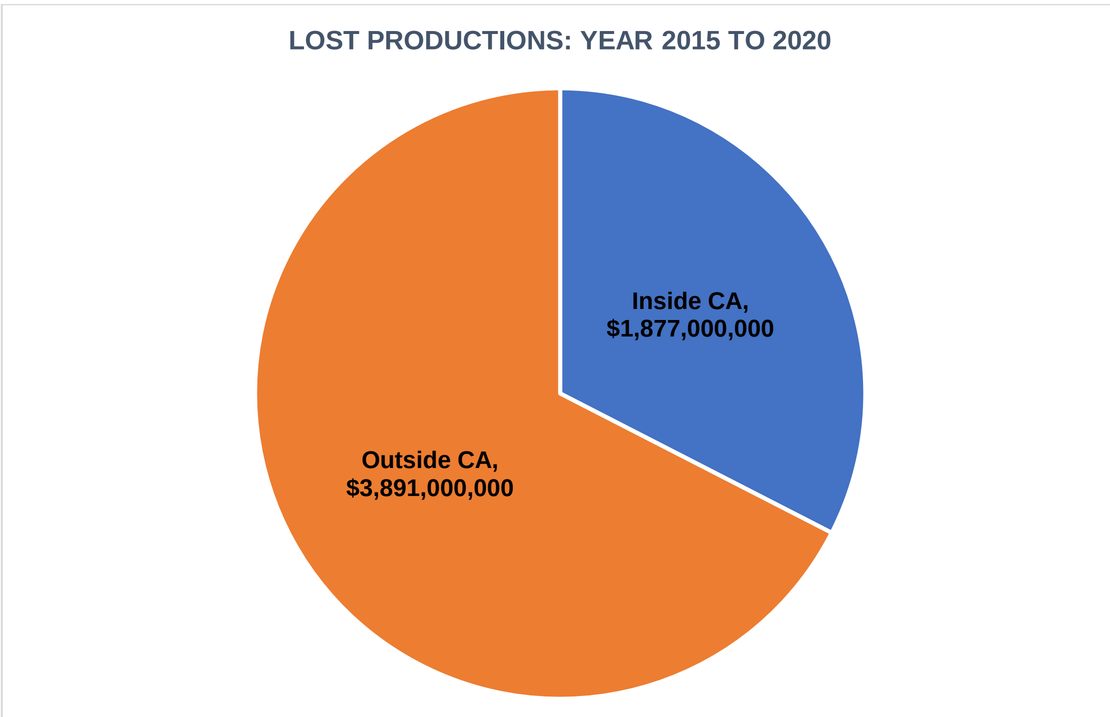
In July 2020, Governor Gavin Newsom imposed new tax regulations to offset the California budget deficit as a result of the Covid-19 pandemic (see page 42 for Covid-19 effects on California film and television productions). For the period beginning January 1, 2020 and before January 1, 2023, Non-Independent tax credit recipients are limited to a cap of $5 million with respect to offsetting state income tax liability and a $5 million cap with respect to offsetting Sales and Use tax liability. This applies to projects in both Program 2.0 and Program 3.0 tax credit programs. The cap on credits against income tax liability are at the combined reporting group level; the cap on credits against Sales and Use tax liability can be claimed by affiliates. Independent Films are also limited to the $5 million tax credit limitation for the next 3 years. Companies which purchase tax credits from Independent Films have the same limitations when they elect to utilize their credits against their state income tax liability.

Qualified taxpayers, participating in the California Film & TV Tax Credit Program, or their affiliates are allowed a credit against the net tax in the amount specified on the Tax Credit Certificate. Tax Credits are governed by the year the credit certificate is issued. Once a taxpayer receives a Credit Certificate, they can claim it on their tax return beginning with the year the Certificate was issued. The excess credit may be carried over to reduce the net tax in the following taxable year and succeeding five (Program 2.0) or eight (Program 3.0), if necessary. This means that for Program 2.0, the carryover may be extended to six years and Program 3.0 to nine years. Due to the $5 million per year limitation the first three years of Program 3.0, the carryover may be extended from six to nine years (2.0) and from nine to twelve years (3.0). The extension of the carryover period is only for the number of years that the credit was limited. For example, if a taxpayer has a Program 2.0 credit for $15 million that they are eligible to utilize in 2022, the taxpayer would be limited for only one year. Therefore, the credit would be allowed an additional year of carryover.

Tax credits may be assigned to one or more affiliates. Affiliate Corporation is defined in the Revenue & Taxation code as a corporation that is a member of a commonly controlled group as defined in Section 25110 subdivision (b). Qualified Taxpayers may elect to split the credits and apply a portion to their income tax liability and a portion to their Sales & Use, however, only one Credit Certificate will be issued to the taxpayer. There is no recapture provision for any Tax Credit Certificates issued. Productions must retain all records pertinent to the Credit Certificate for a minimum of three years from the date of filing their tax return claiming the credit. If a limited liability company (LLC) elects to be taxed as a partnership or “S” corporation, the LLC is treated as a passthrough entity. In the case of any pass-through entity, the determination of whether a taxpayer is a qualified taxpayer is made at the entity level. No amount of credit is allowed to the pass-through entity. The credit is passed through to the partners, members, or shareholders.

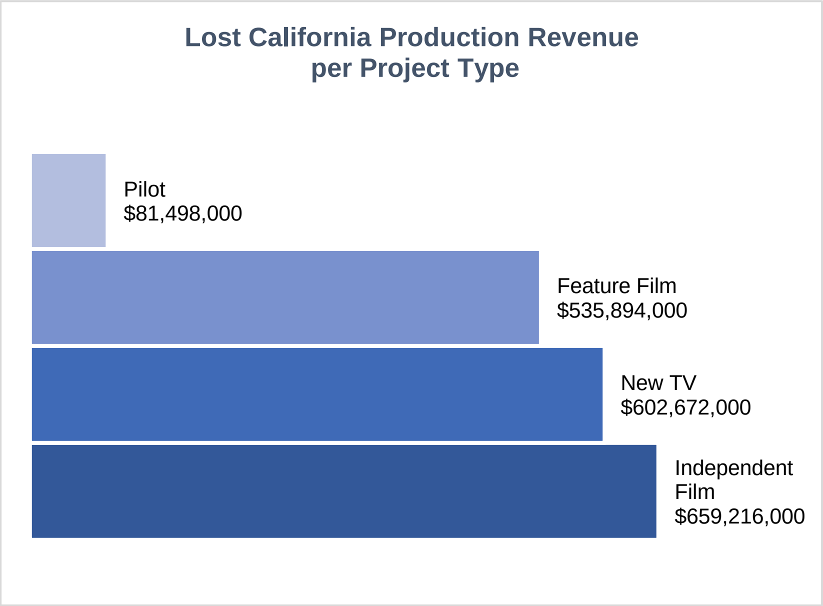
LOST PRODUCTIONS

The CFC extensively researched and tracked those projects that applied for tax credits from 2015 to 2020 but were denied and subsequently produced. Findings support the impact that tax credits have on retaining and attracting in-state film and television production. Data shows that the state lost 67 percent of production spending by those projects that applied for but did not receive a California tax credit; 157, out of 312 projects that did not receive a tax credits, left California to be produced out-of-state. These runaway projects accounted for $3.89 billion in production spending outside California - a loss to the state's below-the-line production workers and the businesses that rely on the film and television production industry. This report shows only data collected from projects that applied to the tax credit program. The CFC is unable to track projects that do not apply for California's film and television tax credits or that are ineligible; thus, total runaway production losses are presumed to be much higher.



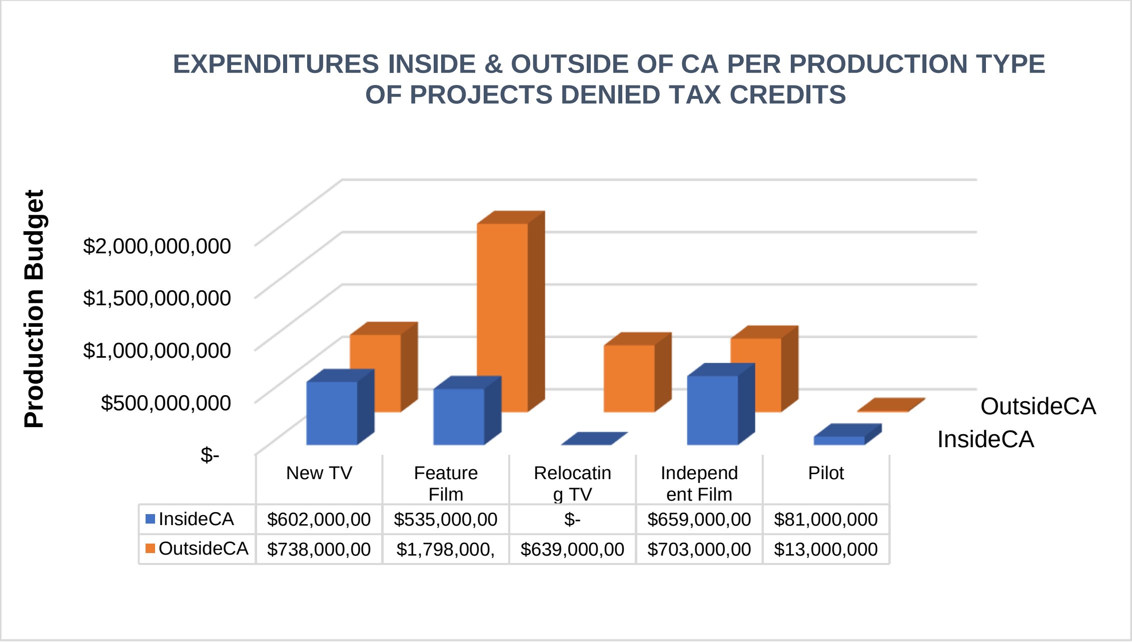
The productions that ended up staying in California generated $1.87 billion in the state. Consistent to data presented for Program 1.0, many independent projects ended up staying in California even without the tax credits. *(See Appendix B Table 3 for Program 1.0 Lost Productions Data.)* Based on production spend, independent projects made up 35% of the $1.87 billion, followed by new television series with 32%, features films 29%, while pilots produced in California contributed 4% of the $1.87 billion.

LOST PRODUCTIONS (Continued)



Based on the survey results that the CFC received from applicants and after conducing further research, 290 projects ended up staying in California without receiving the tax credits from the California Film and Television Tax Credit Program. With a total of $3.8 billion in expenditures spent outside of California, $1.7 billion was generated by films produced by studios while $703 million were incurred by independent companies. Pilots and new television series were produced between 2015-and 2020 totaling $752 million. California lost out on $639 million in production expenditures from relocating television series that did not end up relocating to California.

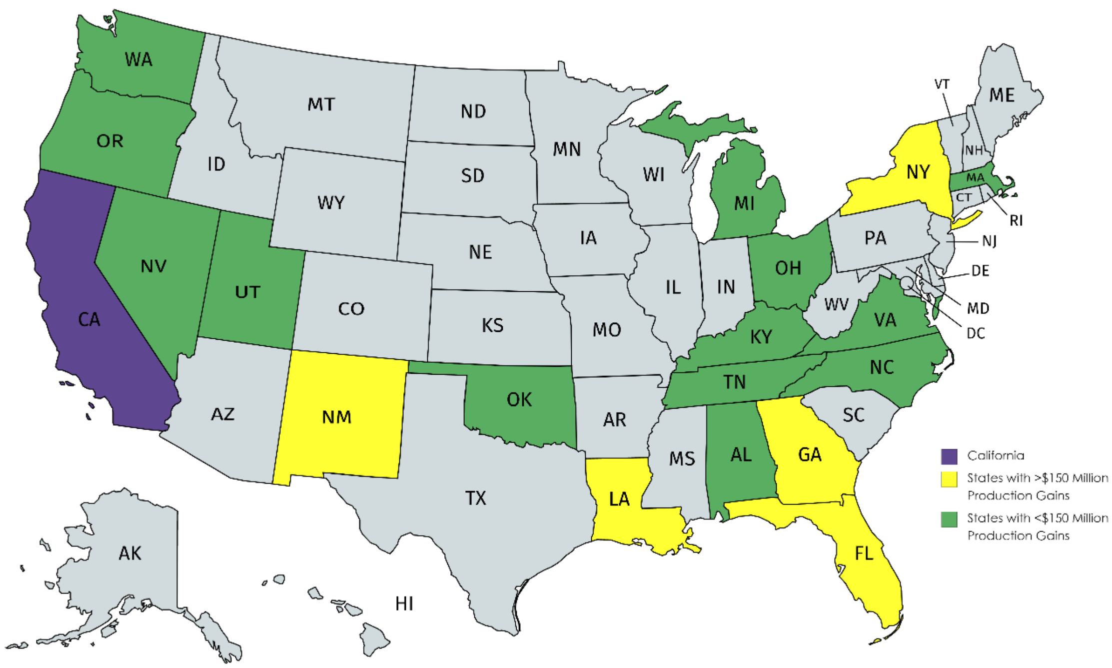
So where did these productions end up filming? With the $3.89 billion lost, productions that did not receive tax credits left California to generate estimated expenditures of $1.90 billion in 18 different states, including: Alabama, Florida, Kentucky, Massachusetts, Michigan, Nevada, North Carolina, Ohio,



LOST PRODUCTIONS (Continued)

Oklahoma, Oregon, Tennessee, Utah, Virginia, and Washington. Productions filmed in these states spent over $360 million between 2015 and 2020. In addition, productions generated $1.2 billion in states that offer competitive tax incentives, such as Georgia ($551.9 million), New Mexico ($250.3 million), New York ($186.6 million), Florida ($146.4 million), and Louisiana ($103.4 million).

RUNAWAY PRODUCTIONS - U.S. JURISDICTIONS

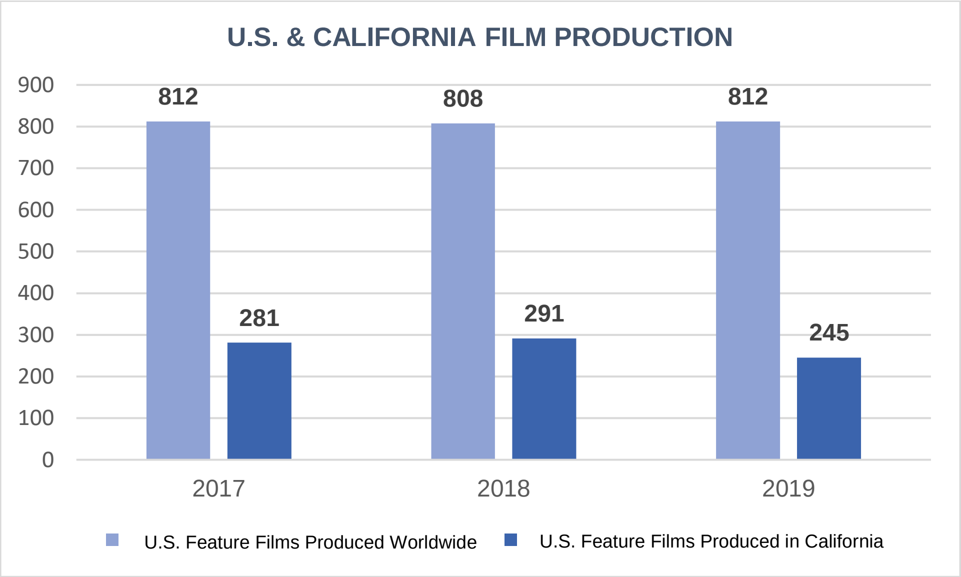


Additionally, productions left the Golden State to shoot in international locales such as Australia, Belgium, Canada, China, Hungary, Ireland, New Zealand, South Africa, and the United Kingdom, with California losing $1.99 billion in runaway production expenditures. A couple of productions reported a general location of Europe as well, with $32 million in expenditures. While all types of productions denied credits left California and filmed internationally, mainly feature films shot in the United Kingdom with a total of $700 million. Canada also benefited $1.2 billion in production expenditures from productions leaving the Golden State (note each Canadian province and territory offers various competitive tax incentive packages).

GLOBAL COMPETITION

To manage production costs, today's business model for feature films and scripted television production continues to rely heavily on tax incentives. The availability of incentives is one of the primary factors considered by producers and production companies when it comes to determining where most projects are filmed, even though productions are not guaranteed incentives. Non-independent productions routinely factor in competing tax incentives when considering where to base their projects, while independent production companies incorporate the monetization of tax credits as a key part of their financing structure. Along with the United Kingdom, Canada, and Australia, more than 30 U.S. states offer financial incentives to lure jobs and spending away from California.

Program 2.0 enacting legislation expanded eligibility to film projects with budgets over $75 million to attract big-budget feature films. Since Program 2.0 has been in effect, California has attracted 13 big-budget feature films. While the overall number of U.S. feature films produced in California increased from 281 in 2017 to 291 in 2018, representing a 3.5% growth, the number of feature films produced in California decreased by 15% in year 2019, with 245 feature films. This figure continues to represent a small percentage of the 812 U.S. feature films produced worldwide in 2019.



The loss of big-budget feature films caused a detrimental effect on California's production industry given each project employs thousands of workers and generates revenue for thousands of local businesses. They often require use of multiple large-scale sound stages to accommodate elaborate sets and equipment. Despite California's superior infrastructure, skilled workforce, diversity of locations, and creative talent, a vast majority of productions continue to run away from California as other jurisdictions offer above and below-the-line tax credits, abundant stages, and up to 40% tax credits for visual effects work.

GLOBAL COMPETITION (Continued)

Competing Factors: Tax Incentives

California's primary competitors have committed to growing their foothold as world-class film and television production centers. Once incentives took root outside of California, other locales evolved their own infrastructures with stage construction, post-production facilities, and importantly, a skilled local workforce. There are now almost 100 jurisdictions worldwide offering incentives.

GEORGIA

- INCENTIVES: 20% Tax Credits; 10% Additional tax credits with GA logo.
- 44,070 jobs in the motion picture and television industry.
- $3.6B in wages.
- 17,190 jobs related to production and 26,880 distribution jobs.
- 152,890 Indirect and induced impact to local vendors.
- 61 Films and 80 TV Series

LOUISIANA

- INCENTIVES: 25-40% Tax Credits; $180 million annual back-end cap, $150 million back-end cap per fiscal year.
- 11,630 jobs in the motion picture and television industry.
- $640M in wages.
- 5,050 jobs related to production and 6,580 distribution jobs.
- 24,970 Indirect and induced impact to local vendors.
- 32 Films and 28 TV Series

NEW YORK

- INCENTIVES: 25% Tax Credits; 5% Post-Production; $420million rolling cap.
- 105,790 jobs in the motion picture and television industry.
- $12.13B in wages.
- 54,300 jobs related to production and 51,490 distribution jobs.
- 294,960 Indirect and induced impact to local vendors.
- 147 Films and 168 TV Series

NEW MEXICO

- INCENTIVES: 25% Tax Credits; 5% Qualifying television series or soundstage usage.
- 4,620 jobs in the motion picture and television industry.
- $230M in wages.
- 2,110 jobs related to production and 2,500 distribution jobs.
- 11,140 Indirect and induced impact to local vendors.
- 24 Films and 7 TV Series

GLOBAL COMPETITION (Continued)

While production companies will often relocate relatively small creative teams (producers, actors, directors, writers) to another state for the duration of a film shoot, very few “below-the-line” crew members (e.g., camera technicians, electricians, make-up artists, prop masters, drivers) from California are hired due to the additional expense for travel and housing. The few skilled California crew members who are transported to work on-location end up, in practice, training the local workforce. This process helps create a growing pool of local crews across the country and around the world, making it less likely that California crew members will be needed to work out-of-state on subsequent projects. In a further economic hit to California, crew members who work out-of-state pay income taxes in the *work* state; California receives only the differential in taxes owed. Despite the success of California’s film and television tax credit programs, the state has lost significant production as competing incentive-offering locales have achieved dramatic growth in production spending.

Competing Factor: Infrastructure

While Los Angeles has, by far, the largest infrastructure for filmmakers in North America, competitors in other jurisdictions have built or are planning to build sound stages to accommodate projects attracted by tax incentives.

United Kingdom [11]

- The Reading Complex will have 20 soundstages, totaling 500,000 square feet, with on-site post-production facilities, a movie theater, and digital media hub. Initial investment: $187 million.
- Sky Studios Elstree, in Borehamwood, 20 minutes north of the heart of London, will be a 28-acre TV and film studio facility. It will house 12 soundstages, totaling 260,000 square feet. Alongside the stages will be two production support buildings, which will offer a space for the manufacture and storage of props and sets, and five production office buildings, incorporating post-production facilities and screening rooms. The studios are expected to open in 2022.
- Ashford Intl. Studios, scheduled to open in early 2022, will be located in Ashford, England and consist of 80,000 square feet of TV and film studios, 80,000 sq. ft of production space, 50,000 square feet of workshop and storage space, and a 30,000 square foot media village.
- TCDI is investing $62M in London’s Twickenham Studios, as well as another development in Liverpool.
- Warner Bros. Studios Leavesden opened with 400,000 square feet of soundstages.

GLOBAL COMPETITION (Continued)

Vancouver, British Columbia

- With eight stages that can handle filming three television series or features at the same time, Martini Film Studios opened 250,000 square feet of combined studio facilities in 2018 at a former window manufacturing site.[16]
- A 600,000-square-foot facility, to include 300,000 square feet of production support space for wardrobe, workshops and offices, was added at Martini Film Studios in September, 2019.[12]
- At least 300,000 sq. ft. of the floor area will be purposed as soundstages.[13]
- Martini Film Studios will more than triple its current capacity and become the largest provider of film studio facilities in the Lower Mainland, upon the completion of the new campus.[14]
- Martini Film Studios projects an increase in the Greater Vancouver Area's overall studio capacity by around 15%.[15]

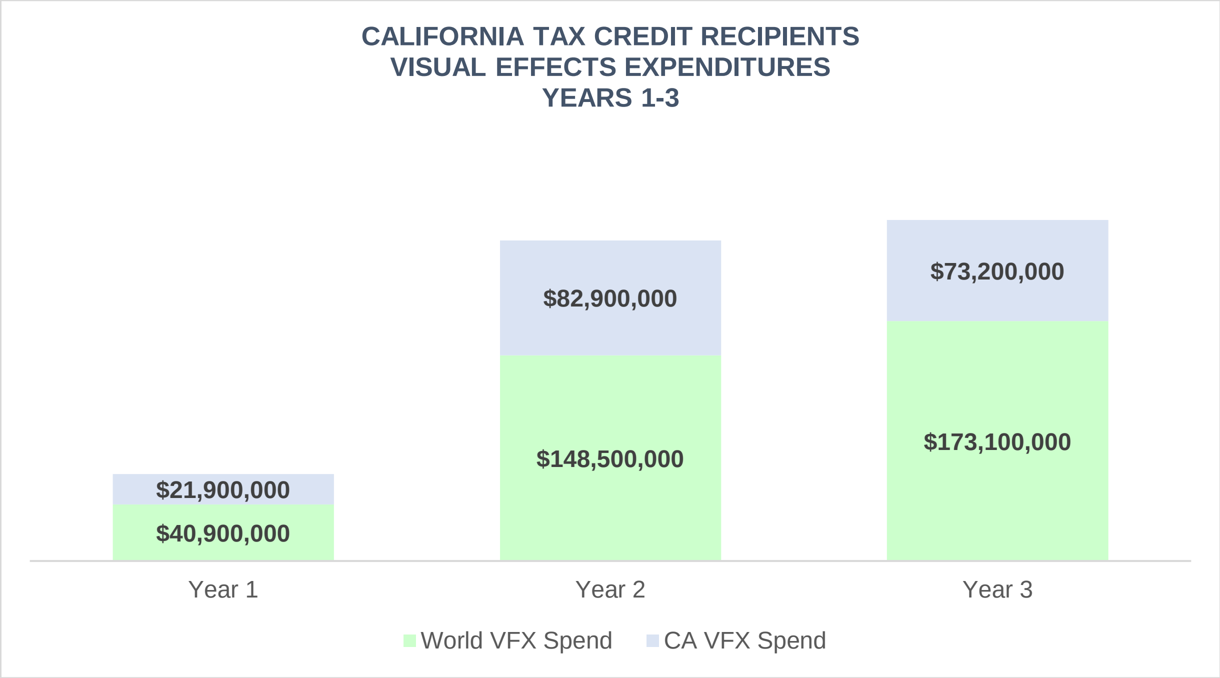
New Mexico

- Purchased by Netflix for $30 million, ABQ Studios offer eight sound stages totaling 132,000 square feet of space. With the acquisition, Netflix must add 1,000 local jobs per year with an expenditure of $1 billion over the course of a decade. With *El Camino: A Breaking Bad Movie* and *Army of Dead*, films produced in 2019, New Mexico gained a combined expenditure from the films totaling close to $70 million with 722 local New Mexico crews hired.[17]
- Entering a 10-year venture with Garcia Realty and Development, NBCUniversal will redevelop an empty free-span warehouse in Albuquerque into a state-of-the-art television and film studio with two sound stages, offices and a mill. [18]
- NBCUniversal will produce film and television projects at the Albuquerque facility, a venture with Garcia Realty and Development, with the aim of reaching $500 million in direct production spending. [19]
- In addition to the facility development expansion, NBCUniversal will have more than 330 full-time jobs year-round at its New Mexico hub, generating an economic impact of $1.1 billion over 10 years.[20]
- In 2019, New Mexico more than doubled its annual cap on its 25% to 30% refundable tax credit – from $50 million to $110 million to entice filmmakers to produce projects in New Mexico.[21]
- New Mexico economic development leaders want to attract more companies to potentially create thousands of film jobs in return for $14.5 million in state and local economic development funding as well as use of the rebate program.[22]

GLOBAL COMPETITION (Continued)

Competing Factor: Visual Effects Incentives

Program 2.0 was designed to motivate companies to do more of their visual effects (VFX) work in California by providing an additional five percent tax credit for projects that spend either 75 percent of their total visual effects budget or at least $10 million on visual effects in California. Applicants also accrue Jobs Ratio bonus points based on their total visual effects spending in California, which can increase their Jobs Ratio score.



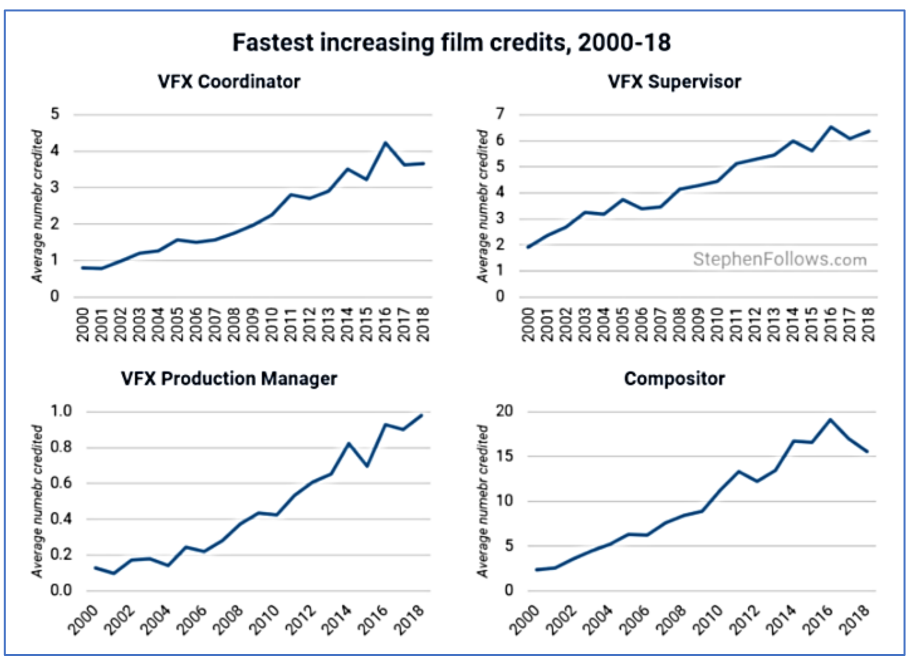
Completed projects which have gone through the audit procedures revealed the actual amounts spent for visual effects both in California and worldwide. During the first three fiscal years of Program 2.0, the amount of overall visual effects expenditures showed a consistent increase for both in-state visual effects spend and worldwide visual effects expenditures. Yearly, the worldwide visual effects spend nearly doubled the amount compared to VFX spend in the state. In year one, projects collectively spent $21.9 million on California VFX vendors, while allocating $40.9 in international VFX laboratories and hubs. Although the California VFX spend increased by 278% from year one to year two ($82.9 million), worldwide visual effects companies gained a total of $148.5 million, a 263% growth compared to the previous fiscal year. In year three, visual effects expenditures showed an 11% decrease from year two, with $73.2 million. Meanwhile, projects continued engagement with visual effects companies outside of California, spending $173.1 million, a 16% increase from year two VFX expenditures worldwide. This is an indication that the incentives are not large enough to keep the work in the state.

GLOBAL COMPETITION (Continued)

The California VFX industry has been severely impacted by the effect of worldwide tax incentives which have lured away business and talent. Many international jurisdictions offer competitive tax incentives which are siphoning away this sector of the entertainment industry from California.

Creative BC [23]	• 16% Additional Tax Credits • Digital Animation, Visual Effects, Post-Production (DAVE)
France [24]	• 40% Tax Credits • Rebates given to international productions boasting a large portion of VFX.
New York [25]	• Of the $420 million, there is a set-aside for the post-production credit of $25 million per year.
Quebec [26]	• 16% Bonus on all CGI and green screen shots.

In late 2019, Stephen Follows, a respected educator and an established data researcher, analyzed motion picture industry jobs and how the types of employment have evolved throughout the years. Specifically, Follows surveyed 7,905 feature films released in North America between 2000 and 2018. The study concluded that visual effects jobs had a significant increase in the motion picture industry in the last 20 years. In 2018, visual effects crew members were hired four times more compared to average film crew hires in year 2000.[27]



COVID-19 PANDEMIC & FILMING

The Covid-19 pandemic affected all industry sectors in the second quarter of 2020. On-location filming slowed in March following a series of voluntary restrictions. On March 20, the County of Los Angeles Department of Public Health and other state and local authorities issued complementary "Safer at Home" Orders, which closed the region to on-location filming.

Many projects in the California Film & TV Tax Credit Program 2.0 quickly requested and were granted Force Majeure status, which "stopped the clock" on their time-sensitive program requirements.

A study issued by Olsberg-SPI titled "*Global Screen Production -The Impact of Film and Television Production on Economic Recovery from COVID-19*" reported that all territories around the world that encourage domestic and international screen production restricted filming activity severely as a consequence of the Covid-19 pandemic. The process of shutting down production began for some countries in early March. International travel restrictions and/or quarantining requirements were put into place creating challenges for cast and crew mobility.

With production shut down, studios, unions, guilds, and other stakeholders began a collective effort to prepare for reopening. Many entities, in concert with state and county government, began to draft a series of safety procedures, guidelines and best practices for restarting production. Such guidelines typically include provisions relating to social distancing on set, the use of personal protective gear (PPE), restrictions on numbers of cast and crew and other safety support rules.

On June 12, 2020, the California Department of Public Health issued a press release announcing that production activity could resume as long as productions follow County Health Guidance and the agreements put into place between Labor and Management. The complex negotiations extended through July and August. In the essential workforce designation for the State, workers supporting the entertainment industries, studios, and other related establishments were allowed to resume work as of July 15, 2020, provided the productions follow Covid-19 public health guidance around physical distancing.

Resumption of production activity after the Covid19 shutdown was cautious and gradual as the new protocols, best practices and guidelines for health and safety were implemented. Productions that were able to resume soon after the reopening of production activity were met with stops and starts, including delays due to testing accuracy and availability, time for training Covid- 19 Compliance Officers, procuring necessary PPE, and building the procedural structures to meet the expectations of the safety guidelines. With time, efficiencies and access to testing, and turn-around time of results improved.

TAX CREDIT PROGRAM 3.0 OVERVIEW

Senate Bill 878 (Committee on Budget and Fiscal Review, Chapter 456, Statutes of 2018), the California Film & Television Job Retention and Promotion Act, was signed into law by Governor Brown on June 27, 2018. The California Film Commission developed regulations, program guidelines, and other procedures to administer the newly extended tax credit program (Program 3.0) which became effective on July 1, 2020. With $330 million per fiscal year, Program 3.0 runs from July 2020 through June 2025. Program 2.0 had a sunset date of June 30, 2020. SB 878 made several modifications to Program 2.0, including:

- Reduces proportion of credits for the relocating TV category (from 20% to 17%), increases credits for the independent film category (from 5% to 8%), and split the independent film "pot" into two categories - under $10 million and over $10 million budgets - allowing for more access to the program for smaller budgeted independent films and more funding overall for independent films.
- Allows an additional 5% credit on wages paid to individuals who live and work on qualified productions outside the City of Los Angeles 30-mile zone. This will encourage more filming in regions throughout the state. To date, millions of dollars have been spent outside the Los Angeles area by approved projects in counties including: Alameda, Contra Costa, Humboldt, Marin, Orange, Riverside, San Bernardino, Santa Cruz, San Diego, Solano, Sonoma, and Ventura.
- Requires approved applicants to provide and maintain a written policy against unlawful harassment, which includes procedures for reporting and investigating harassment claims, and a statement that the company will not retaliate against an individual who reports harassment.
- Requires applicants to provide a copy of their initiatives and programs to increase the representation of minorities and women in job classifications that are excluded from qualified wages (directors, producers, writers, actors).
- Requires applicants to provide bifurcated statistics on the gender, race, and ethnic status of individuals whose wages are qualified, as well as not qualified (directors, producers, writers, actors).
- Creates a pilot program for training Californians from under-served communities for careers in the skilled craft occupations in motion picture and television productions. Program is funded by a fee accessed on approved applicants. The current Career Readiness requirement, in which approved projects must provide career exposure opportunities such as paid internships and in-class workshops, remains intact.
- Eliminates "facility" (sound stage) from bonus point consideration.
- Eliminates the additional 5% credit for music scoring spend; includes music wages as a bonus point factor.
- Visual effects vendor spend may be bifurcated 70% wage/30% non-wage.
- Extends the date by which principal photography must begin from 180 days to 240 days for projects with budgets over $100M qualified spend.
- Reduces the Jobs Ratio overstatement penalty threshold of independent productions to match non-independent productions.

CONCLUSION

In response to global competition, legislators expanded the scope of California's first-generation tax credit program by allowing larger television projects and feature films to be eligible for Program 2.0 and instituting a Jobs Ratio ranking system which would tip the balance toward projects which created the most jobs. In exchange for $1.55 billion in tax credits, California has reaped $11.2 billion from tax credit projects. No tax credits were allocated for the $3.7 billion in non-qualified spend, giving California additional economic benefit, a benefit that starts in Southern California but has been spread to such far flung counties as Humboldt, Inyo, and Imperial.

Approved productions have travelled to and filmed in 25 out of 58 counties throughout California, with the local economies gaining $144 million. In addition to providing jobs and revenue for the state, the program has continued to encourage infrastructure growth, a must if California is to remain competitive. Many television series have taken advantage of local Los Angeles stage facilities, including the 18 relocating television series welcomed by California.

With the ongoing Covid-19 pandemic, the California Film & Tax Credit Program 2.0 has been flexible and provided additional support to productions affected by the virus. The Program supports its filmmakers by adjusting its time-sensitive parameters to enable projects to take the time required to institute the health measures needed to safely start or resume production.

California continues to attract productions due to its inherent attractions: weather, location diversity, skilled workforce, and infrastructure. Worldwide competition seeks to erode California's status as the premiere film production location, but with continued incentives, infrastructure investment, and skilled workforce training, it can continue to maintain its reputation as the filming capital of the world.

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APPENDIX A | Enacting Legislation

- SB 871 (Senate Committee on the Budget and Fiscal Review), was enacted in June 2018 creating an extension to the Film and Television Tax Credit Program for five years beginning July 1, 2020. Authorized funding of $330 million per fiscal year.

- AB1839 (Gatto) was enacted in September 2014 creating a new Film and Television Tax Credit Program for five years and authorized funding at $230 million in FY 2015-16 and $330 million for each of the next four years. It expanded eligibility to include all 1-hour scripted television series regardless of distribution outlet (network, premium cable, internet, TV, etc.), big-budget feature films (but restricted credits to the first $100 million in qualified expenditures), and television pilots.

- SB1197 (Calderon), identical to AB2026, was enacted in September 2012 to provide a two-year extension to the California Film & Television Tax Credit Program through FY 2016-17. The bill sought a five-year extension but was reduced to a two-year bill in the Senate.

- AB2026 (Fuentes) was enacted in September 2012 to provide a two-year extension to the California Film & Television Tax Credit Program through FY 2016-17. The bill sought a five-year extension but was reduced to a two-year bill in the Senate.

- AB1069 (Fuentes) was enacted in October 2011 to provide a one-year extension to the California Film & Television Tax Credit Program through FY 2014-15. The original bill sought a five-year extension but was reduced to one-year in the Senate.

- SB X3 15 (Calderon) / ABX3 15 (Krekorian) was enacted in 2009 to create the California Film and Television Tax Credit Program, which provided a five-year, $500 million tax credit to be administered by the CFC.

APPENDIX B | Program 1.0 Summary

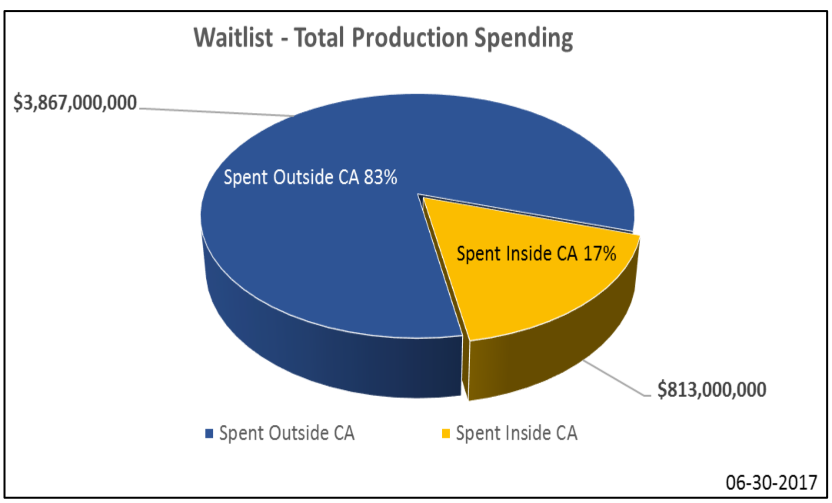
Table 1. Aggregate Summary

Program 1.0 Years 1 - 7 Aggregate Summary									
Program Year	FY Funding	Estimated Tax Credit Allocation	Estimated Direct Spending	Qualified Wages	Qualified Non-Wage Expenditures	Non-Qualified Expenditures	# of Cast	# of Crew	# of Extras
1	2009-10 2010-11	$ 153,615,000	$ 1,230,290,000	$ 454,942,000	$ 321,190,000	$ 454,158,000	4,676	8,982	114,297
2	2011-12	$ 95,094,000	$ 830,863,000	$ 272,461,000	$ 196,728,000	$ 361,629,000	3,652	7,382	73,036
3	2012-13	$ 68,838,000	$ 602,107,000	$ 185,454,000	$ 136,688,000	$ 279,965,000	3,477	5,946	56,166
4	2013-14	$ 96,582,000	$ 770,545,000	$ 264,638,000	$ 188,977,000	$ 312,775,000	3,528	7,039	77,236
5	2014-15	$ 86,251,000	$ 697,700,000	$ 246,322,000	$ 173,950,000	$ 275,415,000	3,653	6,542	73,657
6	2015-16	$ 74,701,000	$ 534,845,000	$ 225,550,000	$ 141,460,000	$ 167,601,000	2,993	3,957	45,014
7	2016-17	$ 70,838,000	$ 547,600,000	$ 201,372,000	$ 124,366,000	$ 197,546,000	2,480	3,101	51,439
Aggregate All Years		**$ 645,919,000**	**$ 5,213,950,000**	**$ 1,850,739,000**	**$ 1,283,359,000**	**$ 2,049,089,000**	**24,459**	**42,949**	**490,845**

Table 2. Relocating TV Series

Program 1.0 Relocating Television Series						
Title	Previous Location	Seasons in CA	Qualified Wages for All Seasons in CA	Qualified Non-Wages for All Seasons in CA	Total CA Expenditures for All Seasons in CA	Total Credit Allocation for All Seasons in CA
Body of Proof	RI	2	$ 41,728,000	$ 22,760,000	$ 95,809,000	$ 16,122,000
Important Things w/ Demetri Martin	NY	1	$ 3,476,000	$ 2,104,000	$ 6,432,000	$ 1,340,000
Teen Wolf	GA	4	$ 93,144,000	$ 48,776,000	$ 197,597,000	$ 35,157,000
Torchwood	U.K.	1	$ 13,745,000	$ 9,942,000	$ 34,781,000	$ 5,700,000
		TOTAL	**$ 152,093,000**	**$ 83,582,000**	**$ 334,619,000**	**$ 58,319,000**

Table 3. Lost Productions Data



APPENDIX B | Program 1.0 Summary (Continued)

Table 4. Regional Filming Impact

Program 1.0 - Local Spend Outside City of Los Angeles 30-mile zone		
County	Total Local Spending	Project Title
Alameda	$4,447,000	*Hemingway & Gellhorn, Moneyball*
Humboldt	$855,000	*Swiss Army Man, Woodshock*
Imperial	$817,000	*American Sniper, Last Days in the Desert*
Kern	$327,000	*The Congress, Faster, Justified, In Your Pocket, Priest*
Nevada	$16,000	*Her*
Orange	$190,000	*J. Edgar, Jackass, Look of Love, Saving Mr. Banks*
Placer	$65,000	*Jackass*
Riverside	$621,000	*Behind the Candelabra, Billion Dollar Movie, The Gambler, Knight of Cups*
San Bernardino	$1,500,000	*American Sniper, Argo, Her, Hirokin, Hit the Floor, Jackass, Priest*
San Diego	$19,000,000	*Indwelling: Return of the Saint, Last Days in the Desert, Paranormal Activity: The Marked Ones, Terriers*
San Francisco	$16,000,000	*Hemingway & Gellhorn, Knife Fight, Murder in the First, Nine Lives of Chloe King, Please Stand By*
San Luis Obispo	$68,000	*Jackass*
San Mateo	$1,800,000	*Chasing Mavericks, Swiss Army Man*
Santa Barbara	$410,000	*No Strings Attached, Rites of Passage*
Ventura	$6,500,000	*Jackass, Justified, Super 8, Water for Elephants, We Bought a Zoo*
Total	$52,616,000	

APPENDIX C | Local California Film Incentives

City of Los Angeles

- Provides free use of most available, city-owned locations for filming.
- Reduced business tax rates for entertainment productions.
- Special tax breaks for entertainment creative talent.

More Info: https://ewddlacity.com/index.php/entertainment-incentives

Riverside County

- Waives all film permit fees in unincorporated areas.
- Free use of County-owned properties for projects lasting 10 days or less.
- Waives transient occupancy tax (TOT) at participating hotels.
- Palm Springs offers a $5,000 grant available for qualified productions within the City of Palm Springs
- San Jacinto – waives film permit fees, with no location fees for filming on city-owned property.

More Info: http://filmriversidecounty.com/Incentives.aspx

City of San Francisco

- Offers a rebate program that refunds up to $600,000 on any fees paid to the City of San Francisco for production of a scripted or unscripted television episode, feature length film, or documentary. The rebate covers permit fees, payroll taxes, cost to pay up to four police officers per day, fees for city-owned locations, stage space costs, street closure fees, and more.
- San Francisco also has a Vendor Discount Program, offering 10-30 percent off hotels, restaurants, production services, car rentals, and a 5 percent discount on Virgin America, and a 5-13 percent discount on United Airlines.

More Info: https://filmsf.org/incentives

Santa Barbara County

- Media Production Incentive Program provides a cash rebate for permit fees and 50 percent of affiliated CHP, Sheriff, or PD costs to qualified still photo campaigns, commercials, unscripted and scripted television, and feature film production. Program is capped at $50,000.

More Info: https://santabarbaraca.com/film-commission/production-resources/

City of Santa Clarita

- Offers a three-part film incentive program that refunds basic permit fees for locally-based, recurring, and California Film & Television Tax Credit Program-approved productions. Provides partial refunds of Transient Occupancy Taxes (TOT).

More Info: http://filmsantaclarita.com/for-filmmakers/film-incentive-program/

Shasta County

- Shasta County is dedicated to serving the film industry. Qualifying productions can receive up to $50,000 through the local incentive program.
- The local incentive program is aimed at retaining and increasing feature and television production in Shasta County by subsidizing permit fees, offering hotel rebates and direct spend incentives.

More Info: https://filmshasta.com/for-filmmakers/