

### California's Tax Credit Program Welcomes Two More Relocating TV Series

"Hunters" and "The Right Stuff" Will Bring Significant In-State Employment and Spending

**Hollywood, Calif. – November 18, 2020 –** The California Film Commission today announced that two additional TV series will relocate to California thanks to the state's Film & Television Tax Credit Program.

The Amazon Prime war crime drama "Hunters" and the Disney+ historical drama "The Right Stuff" will move to California for their second season of production. With these latest wins, California's tax credit program has welcomed a total of 22 relocating TV series from other states and nations (see "Relocating TV Series" list below). Topping the list are six series (including "Hunters") that have relocated from New York, and four series that have relocated from British Columbia. In addition to "The Right Stuff," one other series ("Ballers") has relocated from Florida.

For their first season in California, "Hunters" and "The Right Stuff" are on track to generate a combined \$127 million in below-the-line wages and other qualified expenditures. Like all film and TV tax credit projects, their overall spending will be significantly greater with the inclusion of above-the-line wages and other expenditures that do not qualify for incentives under California's very targeted tax credit program.

"It's great to emerge from the pandemic shutdown with news that two more successful TV series are relocating to California," said California Film Commission Executive Director Colleen Bell. "Such projects are a primary target for our tax credit program because they bring high-quality jobs and significant instate spending."

Based on information provided with their tax credit applications, the two projects announced today will employ an estimated 440 cast members, 374 crew members and 6,056 background actors/stand ins (the latter measured in "man days") over a combined 195 filming days in California. They will also generate significant post-production jobs and revenue for the state's VFX artists, sound editors, sound mixers, musicians and other workers/vendors as part of their eight-episode seasons.

All 88 planned filming days for "The Right Stuff" are set to occur in the San Diego area. Such production helps fulfill the tax credit program's goal of bringing jobs and spending to regions beyond the Los Angeles 30-Mile Studio Zone.

"We're thrilled to see this round of tax credits generate so much out-of-zone filming because it brings direct economic benefit to regions across the state," Bell added.

Based on their qualified spending and out-of-zone production, the two relocating series announced today will receive reservations for an estimated \$32.5 million in tax credit allocation.

The application period for TV projects was held September 29 – October 7. Due to the tax credit program's success with ongoing TV projects, the allocation round was open only to newly relocating series and recurring series accepted during previous rounds. The current list of projects eligible for tax credits is subject to change, as projects may withdraw and their reservation of tax credits is reassigned or rolled over into the pool of funds for the next TV allocation period.

The state's next tax credit application period for TV projects will take place March 15 - 22, 2021. The next application period for feature films will be January 25 -February 1, 2021.

### **How Projects are Selected and Awarded Tax Credits**

Projects approved for California tax credits are selected based on their jobs ratio score, which ranks each project by wages to below-the-line workers, qualified spending for vendors, equipment, etc., and other criteria. The top 200% ranked projects in each round (i.e., those that would qualify if double the amount of funding was available for the current allocation round) are evaluated, and those with the highest-ranked jobs ratio scores receive a tax credit reservation. Those not selected are placed on the waiting list. The tax credit program allocates funding in "buckets" for different production categories, including non-independent films, independent films, TV projects and relocating TV series. This allocation system enables applicants to compete for credits directly against comparable projects. As has been the case since the state launched its first-generation tax credit program in 2009, the California Film Commission awards tax credits only after each selected project: 1) completes post-production, 2) verifies that in-state jobs were created, and 3) provides all required documentation, including audited cost reports.

### **About California's Film and Television Tax Credit Program**

In 2014, the California legislature passed a bill that more than tripled the size of the state's film and television production incentive, from \$100 million to \$330 million annually. Aimed at retaining and attracting production jobs and economic activity across the state, the California Film and TV Tax Credit Program 2.0 also extended eligibility to include a range of project types (big-budget feature films, TV pilots and 1-hr. TV series for any distribution outlet) that were excluded from the state's first-generation tax credit program. Program 2.0 also introduced a "jobs ratio" ranking system to select projects based on "qualified" spending (e.g., wages paid to below-the-line workers and payments made to in-state

vendors). To spur production statewide, an additional five percent tax credit was made available to non-independent projects that shoot outside the Los Angeles 30-Mile Studio Zone or that have qualified expenditures for visual effects or music scoring/track recording. The five-year Program 2.0 went into effect on July 1, 2015 and wrapped its fifth and final fiscal year (2019/20) on June 30, 2020.

The third generation of the California Film and TV Tax Credit Program (dubbed "Program 3.0") was launched on July 1, 2020. New provisions include a pilot skills training program to help individuals from underserved communities gain access to career opportunities. Program 3.0 also adds provisions requiring projects to have a written policy for addressing unlawful harassment and enhanced reporting of above and below-the-line cast and crew employment diversity data.

More information about California's Film and Television Tax Credit Program 3.0, including application procedures, eligibility and guidelines, is at <a href="http://www.film.ca.gov/tax-credit/">http://www.film.ca.gov/tax-credit/</a>.

#### **About the California Film Commission**

The California Film Commission enhances California's status as the leader in motion picture, television and commercial production. It supports productions of all sizes/budgets and focuses on activities that stimulate and preserve production jobs, spending and tax revenues in California. Services include administration of the state's Film & Television Tax Credit Program, permits for filming at state-owned properties, an extensive digital location library, location assistance and a range of other production-related resources and assistance. More information is available at <a href="http://www.film.ca.gov">http://www.film.ca.gov</a>.

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# **Relocating TV Series**

Title	# of Seasons in California	Previous Filming Location
ABC American Crime	1	Texas
American Horror Story	6	Louisiana
Ballers	3	Florida
Dream	1	New Jersey
Good Girls	2	Georgia
Hunters	1	New York
In Treatment	1	New York
Legion	2	Vancouver
Lucifer	4	Vancouver
Miracle Workers	1	Czech Republic
Mistresses	1	Vancouver
Penny Dreadful: City of Angels	1	Ireland
Scream Queens	1	Louisiana
Secrets and Lies	1	North Carolina
Sneaky Pete	1	New York
Special	1	Texas
The Affair	2	New York
The OA	1	New York
The Right Stuff	1	Florida
Timeless	1	Vancouver
Veep	3	Maryland
You	2	New York

## California Film and TV Tax Credit Program

# Ongoing Program 2.0 and 3.0 TV Series – Various Stages of Production

Production Title	Production Type	Company Name
American Crime Story	Recurring TV	Twentieth Century Fox Film Corporation
American Horror Story*	Recurring TV	Twentieth Century Fox Film Corporation
Animal Kingdom	Recurring TV	Horizon Scripted Television, Inc
Dream*	Recurring TV	Universal Television, LLC
Dropout	Recurring TV	Twentieth Century Fox Film Corporation
Euphoria	Recurring TV	НВО
Good Girls*	Recurring TV	Universal Television, LLC
Good Trouble	Recurring TV	Disney ABC Cable Group
Grease	Recurring TV	Turner Entertainment Networks, Inc.
Hunters*	Relocating TV	Amazon
In Treatment*	Relocating TV	НВО
Lucifer*	Recurring TV	WB Studio Enterprises
Miracle Workers*	Relocating TV	Turner North Center Productions, Inc.
Mayans MC	Recurring TV	Fox21 Television Studios
Orville, The	Recurring TV	Twentieth Century Fox Television
Penny Dreadful: City of Angels*	Recurring TV	Showtime
Perry Mason	Recurring TV	НВО
Rookie, The	Recurring TV	ABC Studios
S.W.A.T.	Recurring TV	CBS Studios, Inc.
Snowfall	Recurring TV	Twentieth Century Fox Film Corporation
Special*	Recurring TV	Horizon Scripted Television
Star Trek Picard	Recurring TV	CBS Studios, Inc.
The Right Stuff*	Relocating TV	Horizon Scripted Television, Inc
This is Us	Recurring TV	Twentieth Century Fox Film Corporation
Westworld	Recurring TV	НВО
Why Women Kill	Recurring TV	CBS Studios, Inc.
You*	Recurring TV	Horizon Scripted Television
Untitled Showtime Lakers Project	Recurring TV	HBO

## **NOTES**

- 1. The above list will likely be revised as applicants may withdraw from the program.
- 2. Credit allocation will be issued to recurring TV series if / when they provide pick up orders for additional episodes or new seasons.
- 3. Recurring Series is defined as a TV Series or Relocating TV Series (in its second or subsequent season in California) that has received a previous allocation of tax credits.
- 4. Relocating TV Series is a TV Series that filmed its most recent season outside California.
- 5. \* TV Projects that were initially accepted as a Relocating TV Series.