

**State of California
Office of Administrative Law**

In re:
California Film Commission

Regulatory Action:

Title 10, California Code of Regulations

Adopt sections:

Amend sections: 5524, 5521

Repeal sections:

**NOTICE OF APPROVAL OF EMERGENCY
REGULATORY ACTION**

**Government Code Sections 11346.1 and
11349.6**

OAL Matter Number: 2021-0602-01

OAL Matter Type: Emergency Readopt (EE)

This emergency rulemaking action by the California Film Commission readopts, with amendments, changes to the California Film and Television Tax Credit Program 3.0 emergency regulations originally made in emergency action 2020-0806-02E pertaining to the application for tax credits and tax credit allocation to be implemented for the 2020-2021 fiscal year and to allow certain provision to carry over to the 2021-2022 fiscal year.

OAL approves this emergency regulatory action pursuant to sections 11346.1 and 11349.6 of the Government Code.

This emergency regulatory action is effective on 6/18/2021 and pursuant to Executive Orders N-40-20 and N-71-20 will expire on 1/15/2022 and not 9/17/2021. The Certificate of Compliance for this action is due no later than 1/14/2022.

Date: June 14, 2021



**Kevin D. Hull
Senior Attorney**

**For: Kenneth J. Pogue
Director**

**Original: Colleen Bell, Executive
Director**

Copy: Nancy Rae Stone

NOTICE PUBLICATION/REGULATION'S SUBMISSION

(See instructions on reverse)

For use by Secretary of State only

STD. 400 (REV. 10/2019)

EMERGENCY

OAL FILE NUMBERS	NOTICE FILE NUMBER Z-	REGULATORY ACTION NUMBER 2021	EMERGENCY NUMBER 2021-0602-01 EE
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For use by Office of Administrative Law (OAL) only

<p style="text-align: center;">NOTICE</p>	<p style="text-align: center;">REGULATIONS</p>
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2021 JUN -2 P 2:20
OFFICE OF ADMINISTRATIVE LAW

ENDORSED - FILED
in the office of the Secretary of State of the State of California

JUN 14 2021
3:05 PM

AGENCY WITH RULEMAKING AUTHORITY

California Film Commission

AGENCY FILE NUMBER (if any)

A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)

1. SUBJECT OF NOTICE	TITLE(S)	FIRST SECTION AFFECTED	2. REQUESTED PUBLICATION DATE
3. NOTICE TYPE <input type="checkbox"/> Notice re Proposed Regulatory Action <input type="checkbox"/> Other	4. AGENCY CONTACT PERSON	TELEPHONE NUMBER	FAX NUMBER (Optional)
OAL USE ONLY	ACTION ON PROPOSED NOTICE <input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/Withdrawn		NOTICE REGISTER NUMBER
			PUBLICATION DATE

B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S) California Film and Television Tax Credit Program	1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S) 2020-0806-02
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SECTION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.)	ADOPT
	AMEND
	5524, 5521
TITLE(S)	REPEAL
10	

3. TYPE OF FILING

<input type="checkbox"/> Regular Rulemaking (Gov. Code §11346)	<input type="checkbox"/> Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute.	<input checked="" type="checkbox"/> Emergency Readopt (Gov. Code, §11346.1(h))	<input type="checkbox"/> Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100)
<input type="checkbox"/> Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §§11349.3, 11349.4)		<input type="checkbox"/> File & Print	<input type="checkbox"/> Print Only
<input type="checkbox"/> Emergency (Gov. Code, §11346.1(b))	<input type="checkbox"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1)	<input type="checkbox"/> Other (Specify)	

4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1)

5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100)

<input type="checkbox"/> Effective January 1, April 1, July 1, or October 1 (Gov. Code §11343.4(a))	<input type="checkbox"/> Effective on filing with Secretary of State	<input type="checkbox"/> \$100 Changes Without Regulatory Effect	<input checked="" type="checkbox"/> Effective other (Specify) June 18, 2021
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6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY

<input type="checkbox"/> Department of Finance (Form STD. 399) (SAM §6660)	<input type="checkbox"/> Fair Political Practices Commission	<input type="checkbox"/> State Fire Marshal
<input type="checkbox"/> Other (Specify)		

7. CONTACT PERSON Nancy Rae Stone	TELEPHONE NUMBER (323)860-2960	FAX NUMBER (Optional)	E-MAIL ADDRESS (Optional) Nancy.Stone@film.ca.gov
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8. I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.

SIGNATURE OF AGENCY HEAD OR DESIGNEE colleen bell <small>Digitally signed by colleen bell Date: 2021.05.10 11:22:15 -0700</small>	DATE 05/10/2021
TYPED NAME AND TITLE OF SIGNATORY Colleen Bell, Executive Director	

For use by Office of Administrative Law (OAL) only

ENDORSED APPROVED

JUN 14 2021

Office of Administrative Law

Title 10
Chapter 7.75
CALIFORNIA FILM COMMISSION

Article 3.

CALIFORNIA FILM AND TELEVISION TAX CREDIT PROGRAM 3.0

Section 5521. Application Process For Tax Credit Allocation

...(n) Any television series, relocated television series and any television series based on a pilot that has been approved and issued a Credit Allocation Letter, shall be given first priority for a credit allocation during an open allocation period in each subsequent year in the life of that series whenever credits are allocated and available within a fiscal year.

- (1) Each recurring television series shall submit a new application and pick-up order, if available, for each season during any open television project application period as specified by the CFC in its written notification. The allocation amount requested shall be submitted in the manner prescribed in section 5521(k)(1)(C), and the per episode amount shall not exceed 405% of the per episode amount, as calculated by the CFC, approved in the previous season's credit allocation letter or letters. The narrative statement requirement as set forth in sections 17053.98(g)(A)(x) and 23698(g)(A)(x) of the Revenue and Taxation code for all projects shall be deemed as met for recurring television series with the statement submitted by that series when it was accepted into the program as a pilot, new or relocating television series.

Section 5521: Note: Authority Cited: Sections 17053.98 (e), 17053.98(j), 23698 (e) and 23698 (j), Revenue and Taxation Code; and Section 11152, Government Code.
Reference: Sections 6942.5, 17053.98 (g) and 23698 (g), Revenue and Taxation Code; and Section 14998.1, Government Code.

Section 5524. Tax Credit Allocation

... (b) (1) One hundred percent (100%) of the Allocation of unused credits as provided in Revenue and Taxation Code 17053.85, 17053.95, 23685, and 23695 shall be allocated as follows: 20% of unused credits each in fiscal year 2020-21, through 2024-25. This amount shall be added to the amounts specified in sections 17053.98(i)(A)-(D) and 23698(i)(1)(A)-(D) to determine the aggregate amount of credits available for allocation for fiscal year 2020-21. Credits shall be divided by percentage and project type as provided in sections 17053.98 (i)(E) and 23698 (i)(E) of the Revenue and Taxation Code.

(2) Once the aggregate amount of credits that may be allocated for a fiscal year is determined pursuant to subdivision (b), the amount of credits available for each classification of production described in 17053.98(i)(2) and 23698(i)(2) shall be determined as follows:

(A) Any television series, relocating television series or new television series based on a pilot for a new television series that has been previously approved and issued a credit allocation by the CFC under Revenue and Taxation Code sections 17053.85, 17053.95, 17053.98, 23685, 23695 or 23698 shall be issued a credit for that fiscal year.

(B) After the amount of credits necessary to satisfy the credit described in paragraph (1) are subtracted from the total aggregate amount of credits available for the fiscal year, that remaining amount shall be distributed by type of production according to the percentages and in the manner described in Revenue and Taxation Code section 17053.98(i)(2) and 23698(i)(2). The amounts distributed pursuant to this subparagraph shall not exceed \$115,500,000 for feature films, \$56,100,000 for relocating television series, \$10,560,000 for an independent film with a qualified expenditure budget exceeding \$10,000,000, and \$15,840,000 for independent films with a qualified expenditure budget less than or equal to \$10,000,000. In the event that projects drop out, funds will be allocated to the waitlisted projects in the category from which the credits were sourced. If there are no waitlisted projects, the funds will be distributed in the manner described in Revenue and Taxation Code section 17053.98(g)(2)(D)(v) and 23698(g)(2)(D)(v).

Section 5524: Note: Authority cited: Sections 17053.98(a), 17053.98(e), 17053.98(i), 17053.98(j), 23698(a), 23698(e), 23698(i) and 23698(j), Revenue and Taxation Code; and Section 11152, Government Code. Reference: Sections 17053.98 and 23698, Revenue and Taxation Code; and Section 14998.1, Government Code.