

# Senate Bill 144

## Frequently Asked Questions

For further inquiries, please email [SoundstageIncentive@film.ca.gov](mailto:SoundstageIncentive@film.ca.gov).

### **What are the credit allocation increases under Senate Bill 144 (SB 144)?**

- The \$330 million per fiscal year allotment remains intact.
- \$30 million will be allocated to Relocating TV Series – \$15 million for fiscal year 2021–2022 and \$15 million for fiscal year 2022–2023.
- \$150 million will be allocated to Recurring TV Series – \$75 million for fiscal year 2021–2022 and \$75 million for fiscal year 2022–2023.
- Additional funding of \$150 million will be allocated to qualified production entities with projects filming on certified soundstages.

### **What are the requirements to be eligible as a qualified production entity to receive tax credits?**

- A production entity may qualify if the project films within 3 years from the date of California Film Commission (CFC) certification.
- A production entity must film at least 50% of its principal photography stage shooting days at a certified soundstage, as approved by the CFC.
- The production entity must own more than 50% of the certified soundstage where the production is filmed or enter into a contract or lease of 10 years with the owners of the certified studio construction project where the production is filmed.

### **How does a project receive tax credits as a Certified Studio Construction Project?**

- A construction or renovation project must meet a set of criteria defined by the CFC in order to be a certified studio construction project
- The soundstage must be located in California.
- Actual construction or renovation expenditures must be at least \$25 million for actual construction or renovations made within five continuous years.
- The applicant must provide a diversity workplan as approved by the CFC.

### **What is the diversity workplan?**

- The diversity workplan is required documentation submitted by the applicant indicating diversity goals, particularly race and gender, when hiring above- and below-the-line individuals.
- The workplan should reflect California's diversity make-up in terms of race and gender.
- The CFC will create guidelines and will have the authority to audit final diversity reports.

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**Along with qualifying as a Certified Studio Construction Project, how much additional tax credits would applicants receive for successfully achieving the goals as stated in the diversity workplan?**

- If the applicant has met or made a good faith effort to meet the diversity goals of the workforce employed, as verified by the CFC, the tax credit may be eligible for an additional 2% tax credits.
- If the applicant has met or made a good faith effort to meet the diversity goals for hiring above-the-line individuals, as verified by the CFC, the tax credit may be eligible for an additional 2% tax credits.

**Is there a cap on how much productions receive as an approved Certified Studio Construction Project?**

- Recurring TV Series are capped at \$12 million tax credits per season.
- Feature Film applicants are capped at \$12 million tax credits.

**What is the payment requirement from an approved Certified Studio Construction Project to fulfill the Career Pathways Training Program?**

- The approved applicant filming on a certified soundstage is required to pay 0.5% of the approved tax credit amount.

**Once approved, what are other applicant requirements to comply with stage construction, and ultimately to receive tax credits?**

- Certify to the CFC that all contractors and subcontractors performing construction work on the soundstage or soundstages were required to use a skilled and trained workforce to perform such work.
- Track and calculate costs paid to constructing, maintaining, and operating the soundstage.
- Upon, verification by the CFC, final tax credits on eligible stage construction and labor costs are contingent upon the percentage of costs paid by the qualified taxpayer to third party vendors.