

California Film Commission
Film and Television Tax Credit Programs

PROGRESS REPORT





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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 and 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>.

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EXECUTIVE SUMMARY

The California Film Commission issues an annual report to provide the public with an assessment of the economic benefits of its programs to the state, as well as statistical information and insights into California's entertainment production industry. This report provides an update of the third iteration of California's tax credit program – Program 3.0 – detailing statistics for the first three fiscal years of the program and the Soundstage Filming Tax Credit Program. **The 134 projects approved during the first three and a half years of Program 3.0 are estimated to generate \$7.3 billion in direct in-state spending, including more than \$2.7 billion in qualified wages.**

- UNITED STATES WORKFORCE STATISTICS** The entertainment industry generated \$192 billion in total film and television wages, with \$84 billion of direct wages earned by workers supported by the motion picture industry throughout the United States. With \$21 billion in payments to over 260,000 local business, the motion picture and television industry generates millions of jobs across the United States.
- CALIFORNIA MOTION PICTURE INDUSTRY EMPLOYMENT** According to California Employment Development Department, film and television employment in California reached an average of 185,817 individuals between 2009 – when Program 1.0 was enacted – to now. Highest employment of 215,144 individuals was recorded in 2016, with the lowest figures of 157,666 in 2020 due to the Coronavirus pandemic. In total, 2,415,628 individuals were hired between 2009-2021.
- RELOCATING TV SERIES** Eleven relocating TV projects generated more than \$646 million in California, with \$268 million attributed to qualified wages. California welcomed productions from Czech Republic, Florida, Georgia, New Orleans, New York, Portland, and Vancouver.
- FEATURE FILMS** Twenty-six feature films were accepted under Program 3.0 with a total credit allocation of \$296 million. With an aggregate sum of \$2.6 billion in California expenditures, 16 out of the 26 feature films have production budgets ranging from \$78 million to \$229 million.
- CAREER READINESS PROGRAM** During the height of the pandemic, in-person experiences such as internships, externships, and professional skills tours were suspended. In total, 85 projects in Program 3.0 have completed the Career Readiness requirement, with \$218,012 contributed in aggregate to either the California Community Colleges or the California Department of Education.
- CAREER PATHWAYS PROGRAM** Since 2020, training providers ManifestWorks, Hollywood CPR, and IATSE Local 695's SVOP Y-16A Training Program have been instrumental in helping achieve the Program's goals. In September of 2022, the Handy Foundation was added as a training provider. A total of 218 diverse individuals have participated in the program: 37 for Hollywood CPR, 60 under ManifestWorks, 62 for The Handy Foundation, and 59 in the Production Accounting Course – all under Year 3.
- REGIONAL FILMING** Thirteen feature films and television series spent close to \$7 million outside the City of Los Angeles 30-mile zone. These expenditures include \$1 million for local wages, \$1.8 million in local purchases and rentals, \$2.3 million for local hotels, and \$2.1 million for location and permit fees.
- TAX CREDIT ISSUANCE & CLAIMS** To date, **\$497 million** of total credits have been claimed from Program 1.0 while **\$589 million** have been claimed by Program 2.0 projects, as reported by the Franchise Tax Board and the California Department of Tax and Fee Administration.
- SOUNDSTAGE FILMING TAX CREDIT PROGRAM** The Soundstage Filming Program is still in the early stages of implementation; at the time of publication, Soundstage Certification Letters have been issued to a total of thirteen soundstages – eight newly constructed and five renovated – with a combined size of over 200,000 sq. ft.
- LOST PRODUCTIONS** Data shows that the state lost 74% of production spending by those projects that applied for but did not receive a California tax credit; 39 out of 66 projects that did not receive a tax credits, left California to be produced out-of-state. These runaway projects accounted for \$1.46 billion in production spending outside California.
- GLOBAL COMPETITION: TAX CREDITS** As a key part of a production's financing structure, companies rely on the ability to sell tax credits to third parties or back to the state (monetization). Jurisdictions which allowed productions to monetize their tax credit continue to draw productions. Note: Due to recent legislation, monetization in California will begin in July 2025.
- GLOBAL COMPETITION: VISUAL EFFECTS AND VIRTUAL PRODUCTION** A recent study revealed that over \$7 billion is projected in worldwide VFX spend in 2022, increasing to \$10.5 Billion by 2025. California is not benefiting from this expanding sector of the motion picture industry due to a lack of targeted incentives.
- GLOBAL COMPETITION: INFRASTRUCTURE GROWTH** Within the next 3 years Georgia, New York, Canada, and the UK have hundreds of thousands of square feet of soundstage space being constructed. Other jurisdictions are also planning large film studio projects to be completed within the next 3 years including Arizona, Illinois, Kentucky, Louisiana, Mississippi, New Jersey, New Mexico, North Carolina, South Carolina, Texas, Australia, Hungary, Ireland, Malta, New Zealand, and Saudi Arabia.



INTRODUCTION

First enacted in 2009, the film and television tax credit program was created to provide economic stimulus designed to increase film and television production, jobs, and tax revenues in California. The California Film Commission (CFC), part of the Governor's Office of Business and Economic Development, administers the program, now in its third iteration. Appendix A lists enacting legislation since 2009.

The CFC issues an annual report to provide the Legislature, state government staff, and 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 a summary of approved projects from the first three fiscal years of Program 3.0 and the Soundstage Filming Tax Credit Program (SFP). Data includes a breakdown of labor and expenditures, an analysis of television series that relocated to California, a summary of big-budget films, regional filming data, and the career readiness and pathways programs.

This year's report also shows budgetary impact of the Covid-19 pandemic to film and television projects approved in the tax credit program from 2020-2023. Additionally, this report provides an analysis of lost productions – productions that applied, did not receive tax credits, and ultimately left California to film in other parts of the country and the world. Yearly, consistent data shows jurisdictions outside of California offering competitive production and post-production – including visual effects – incentives along with new or expanded production infrastructure. In July 2023, Governor Gavin Newsom signed SB 132 extending the Film and Television Tax Credit Program (Program 4.0) for an additional five years, beginning July 1, 2025. This report gives regulatory updates for Program 4.0 and modified statutory language affecting both Program 3.0 and the Soundstage Filming Tax Credit Program. Note that the CFC's analysis contained within this report signifies direct spending for projects receiving tax credits. The CFC does not attempt to

measure any secondary economic impacts as generally recognized formulas or multipliers are not used in this report.

NATIONAL WORKFORCE STATISTICS

The Bureau of Labor Statistics (BLS) identifies industries in the Motion Picture and Sound Recording Industries as subsector groups involved in the production and distribution of motion pictures and sound recordings. The motion picture and sound recording industries subsector consists of Motion Picture and Video Industries and Sound Recording Industries. BLS provides an overview of the industry including the number of jobs, the unemployment rate of those previously employed in the industry, union membership and representation, and the number of companies in the private sector under the Motion Picture and Sound Recording Industries.

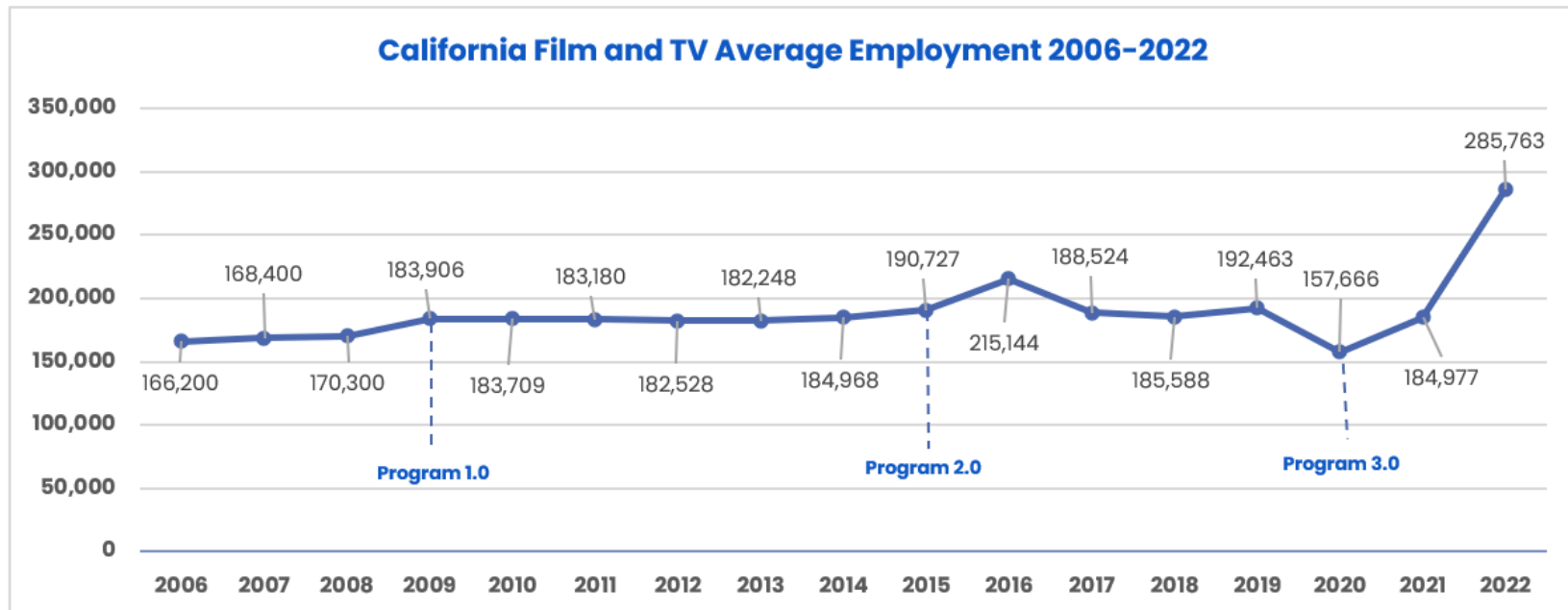
MOTION PICTURE AND TELEVISION INDUSTRY EMPLOYMENT

On January 23, 2023, the Motion Picture Association reported that the American film and television industry supports more than two million jobs, paying out more than \$180 billion in total wages, comprising of more than 122,000 businesses. Total jobs and wages include the jobs and wages supported at thousands of companies relying on the industry, such as caterers, dry cleaners, lumber suppliers, and digital equipment suppliers, as well as other industry related jobs, such as consumer products, video retailing, and theme parks. The motion picture industry contributes significantly to the nation's overall economy with \$261 billion in sales in the year 2021. With \$21 billion in payments to over 260,000 local business, the motion picture and television industry generates millions of jobs across the United States.

CALIFORNIA MOTION PICTURE INDUSTRY EMPLOYMENT

The California Employment Development Department ([EDD](#)) oversees the Labor Market Information Division (LMID) which 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. The chart below shows annual totals for California film and television employment for the following industries: Motion Picture and Video Production, Motion Picture and Video Distribution, Motion Picture and Video Exhibition, Postproduction & Other Related Industry, Sound Recording Industries, Cable and Other Subscription Programming, Agents and Managers for Public Figures, and Independent Artists/Writers/Performers.

MOTION PICTURE AND SOUND RECORDING INDUSTRY STATISTICS			
Employment	2020	2021	2022
Employment	296,900	443,300	461,700
Unemployment Rate	12.70%	6.40%	5.40%
Union Membership	14%	17%	17%
Union Representation	15%	18%	17%
Private Company Establishments	34,556	36,260	38,732



Source: California Employment Development Department

TAX CREDIT PROGRAM 3.0 OVERVIEW

On July 1, 2020, Program 3.0 was enacted under Senate Bill 878 providing \$330 million every fiscal year. Eligible [productions](#) include New, Relocating, Recurring and Limited TV Series, Pilots, as well as independent and non-independent feature films. Independent films and relocating TV applicants qualify for a 25% tax credit while non-independent films receive 20%. In July 2021, SB 144 added an additional \$150 million in funding for recurring TV series and \$30 million for relocating TV series. The bill also created a separate tax credit program to incentivize the development of production infrastructure and to help ensure the industry's workforce reflects California's diversity. The CFC launched the California Soundstage Filming Tax Credit Program in 2022 to expand film and TV production infrastructure and workforce inclusion in California.

The additional funding for TV projects and the implementation of the new Soundstage Filming Tax Credit Program represent a significant strategic improvement for California's Film & TV Tax Credit Program that is enabling the state to attract a greater number of projects and increase competitiveness. Program 3.0 sunsets on June 30, 2025.

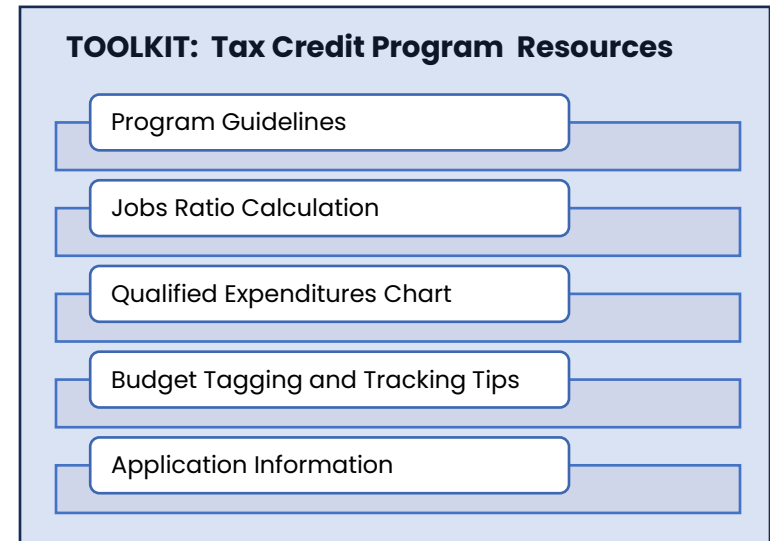
Application Process

The CFC holds five application windows each fiscal year, between June 30 to July 1. Applications are [ranked](#) according to each production category via a jobs ratio ranking process. The jobs ratio calculation is a 3-step process which computes qualified wage and non-wage expenditures. A project's jobs ratio score may be increased based on activities in three areas: out-of-zone filming, visual effects spend, and music labor expenditures. In addition, projects are eligible to receive an additional 5% credit on wages paid to individuals who live and work on tax credit projects outside the City of Los Angeles 30-mile zone.

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 allocation period - proceed to Phase II of the application process for further

evaluation and review. During Phase II, applicants are required to submit documentation such as the qualified expenditures budget, production schedule, proof of financing, and the screenplay. The CFC website has the complete list of required materials.

Under Program 3.0, Phase II applicants are also required to submit a Diversity Initiative document detailing initiatives and programs to increase the representation of women and minorities. The initiative must include a description of what the program is designed to accomplish and information about how the programs are publicized to interested parties. In addition, an Unlawful Harassment Policy must also be submitted as part of the Phase II application packet. Applicants are required to submit a written policy against unlawful harassment which includes procedures for reporting and investigating harassment claims. The document must include how the policy will be distributed to employees and include education training resources and remedies available.

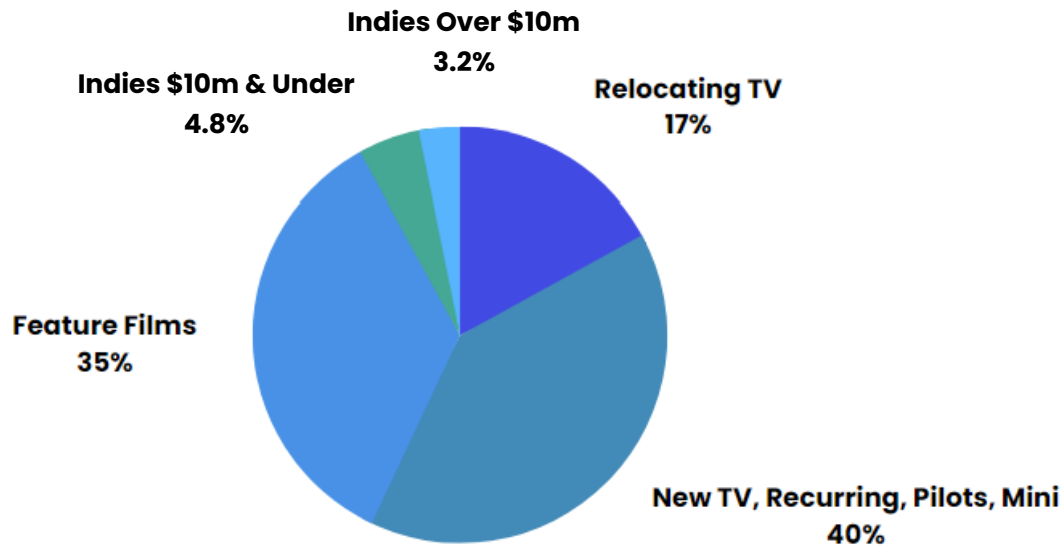


Once a project receives the approval letter, several interim responsibilities are required to receive the final tax credit certificate. The initial allocation for each selected project is treated as a reservation of tax credits. Tax credit certificates are awarded only after eligible projects: 1) complete post-production; 2) verify in-state expenditures; and 3) provide all required documentation, including cost reports audited by a Certified Public Accountant (CPA). During the audit process, the CPA recalculates each project’s Jobs Ratio score and compares it to the approved application Jobs Ratio score.

Funding Allocation

Each fiscal year, the CFC allocates \$330 million in tax credits, dedicating specific percentages for each eligible production category; see “Credit Allotment” chart below. According to the statute, unused credits due to project withdrawals must be used in several ways: 1. Unused television and non-independent feature film credits from previous fiscal years shall be added to the Recurring, New TV, Pilots, and Mini-Series category; 2. Credits from Independent Films must remain in the Independent Film category; 3. If a project withdraws in the same fiscal year it received a credit allocation, those credits shall be returned to the same project category .

Funding Categories per Fiscal Year



COVID-19 EXPENDITURES

In mid-March 2020, the coronavirus pandemic forced many productions to pause production. Working remotely from home, CFC staff remained fully functioning to provide regular services while adjusting to the latest industry and government developments. On March 27, 2020, the CFC published a production alert outlining Covid-19 resources and established Covid-19's impact on film production as a force majeure event. This enabled productions to apply and receive waivers for all the time-sensitive parameters in the tax credit program, thus alleviating the fear that projects would lose their reservation of tax credits if they could not begin or finish their projects as per program requirements. The CFC continued to evaluate the impact of the pandemic on CFC projects and issue force majeure waivers as appropriate.

On June 1, 2020, with combined efforts from studios and unions, the Industry-Wide Labor Management Safety Committee Task Force published the "white paper" – a proposed set of health and safety guidelines for motion picture, television, and streaming projects to resume production during the Covid-19 pandemic. Since many productions shoot predominantly in the Los Angeles area, the Los Angeles County Department of Public Health published specific guidelines on June 12, 2020, outlining minimum safety requirements for any Los Angeles productions, including commercials and small independent projects. Productions filming outside Los Angeles County were mandated to adhere to county-specific Covid-19 filming protocols. The Producer's Guild of America also published "COVID Safety Protocols for Producing Independent Productions" in August 2020. "The Safe Way Forward," a set of protocols released by the unions and guilds, was replaced by the "Covid-19 Return to Work Agreement" on September 21, 2020. This agreement was negotiated by the Alliance of Motion Picture and Television Producers (AMPTP) with the Director's Guild of America (DGA), International Alliance of Theatrical Stage Employees (IATSE), Screen Actors Guild – American Federation of Television and Radio Artists (SAG-AFTRA), Teamsters and Basic Crafts. It was effective until April 21, 2021, and then extended to June 30, 2021. All parties involved met regularly to discuss possible modifications to the agreement based on changing Covid-19 conditions. On June 30, 2021, as the AMPTP, DGA, IATSE, SAG-AFTRA, Teamsters and Basic Crafts needed to assess

further modifications, the return-to-work Covid-19 safety protocols were extended.

Covid-19 adversely impacted filming in California during the 2020-2021 fiscal year. Productions had to follow safety protocols to avoid the spread of Covid-19, including establishing at least four different pods within the crew, which operated in concentric circles of distance from the on-camera talent. Testing became a mandatory part of the filmmaking process, with crew members that come in close contact with talent getting tested daily. A whole new Covid Department came into existence, with the responsibility of ensuring on-set health and safety. Duties of the Covid department included supervision of sanitary conditions, enforcement of mask-wearing and the use of face shields, oversight of social distancing within the different departments, and supervision of quarantine for new employees and production visitors, as well as for any cast and crew testing positive or experiencing Covid-like symptoms.

Covid departments typically ranged from two or three people on lower budget projects and up to as many as 15 people on large crews with multiple units. Labor positions included Covid Supervisor, Covid Coordinator, Covid protocol compliance managers, Set Sanitation PAs, Covid Testers, Covid Medical personnel, and additional Drivers and Locations Assistants who helped maintain social distancing. Materials included tests, sanitation stations, face shields, PPE masks, outside testing contractors and medical personnel, additional vehicles, and stipends paid to crew to quarantine or work remotely.

The CFC allowed all Covid-related expenditures in the state to qualify for tax credits. Project budgets submitted for review in the tax credit program indicated that approximately 40% of Covid expenditures went to Labor costs and 60% went to Materials. Aggregate data showed that feature films with budgets greater than \$20M in the Tax Credit Program typically anticipated spending between 5% and 6.5% of their total budgets on Covid-related costs.



This translates to approximately 9% of their Qualified Expenditures. Low-budget films and television series typically anticipated about 4.25% of their total budgets for Covid-related costs and about 6.2% of their Qualified Expenditures. The raw numbers were far more startling: 50 projects during 2020–2021 fiscal year expected to outlay more than \$90,000,000 for Covid-related costs, in aggregated budgets totaling \$1.9 billion.

2021–2022: EFFECTS OF THE COVID-19 PANDEMIC

Fiscal Year 2 – from July 2021 until June 2022 – saw the incidence of Covid continue to impact motion picture and television production in much the same way as the previous year. The protocols remained intact throughout the fiscal year. Covid testing continued unabated on virtually all film sets, from a minimum of once a week for the entire crew up to three times a week, and even in some cases every day. Departments continued to operate, with anywhere from a single Health & Safety Manager on low budget productions, to a staff of ten crewmembers on high budget films.

Data reflects for fiscal year 2021–2022, productions show cost expenditures consistent with those from the previous year. The CFC analyzed an estimated budgetary spending for Covid-related Health & Safety of approximately 4.7% of the total budget for over 42 movies and seven television series. Percentage spending was slightly higher for mid-range budget movies – 5.8% of the total – and slightly lower for low budget independent movies –3.8% of the total.

Television series estimated costs mirrored those of feature films. The average hit to the budget per series was 5.35%, with a total of over \$42 million dedicated to keeping television sets free from Covid outbreaks.

To sum up, all projects in the California Tax Credit Program in Fiscal Year 2 anticipated spending a total of \$133,762,820 on total gross expenditures of \$2,722,656,113.

Unlike the 2020–2021 fiscal year results, no film or television projects in the tax credit program entered a force majeure shutdown or hiatus attributable

to Covid. This serves as empirical proof that once the protocols were instituted in July of 2020, they worked.

2022–2023: EFFECTS OF THE COVID-19 PANDEMIC

Fiscal Year 3 – from July 2022 until June 2023 – saw a remarkable drop in the effects of Covid on motion picture and television production in California. In terms of raw spending numbers, films with budgets over \$60 million dedicated an average of \$5.6 million to Health & Safety. Films with budgets between \$15 million and \$60 million budgeted an average of \$1.5 million. And the low budget independent films average expenditures hovered around \$220,000.

Of the 42 movies sampled, a total of \$91.5 million was expected to be spent for Covid-related costs.

Covid-19 protocols remained intact through 2022 but began to be phased out in 2023 in anticipation of the federally declared end to the public health emergency. The Directors Guild and IATSE officially allowed the Covid Safety agreement requirements to expire on May 11, 2023.

This decline is reflected in the overall financial impact on production budgets for Covid-related expenditures. The year saw a precipitous fall-off in Health & Safety costs from an average of 4.91% of the total budget to 2.18%. Of the 56 movies in the fiscal year, all but two small independent films continued to spend at least some money on Covid testing and prevention. But in some cases, those expenditures were anticipated to be far less than 1% of the total budget.

In raw numbers, we had 8 big budget films with worldwide budgets totaling \$1.3 billion anticipating slightly less than \$24 million for Health & Safety, roughly 1.75%. We had 12 mid-range budget movies totaling \$340 million devoting roughly \$9 million to Covid expenses (2.7%).

And of the 36 films in the low budget category totaling expenditures of \$250 million, only a tick more than \$7 million would be spent for Covid (2.95%).

One particularly telling example is a project that got into the program at the beginning of the fiscal year in July 2022 but had to withdraw and reapply at the end of the fiscal year in February 2023. On the first go-round, the project had a total budget of \$24 million with Covid spending of \$1.1 million (4.5%). When the applicant reapplied with the same project, the project had a revised total budget of \$22 million and a mere \$198,000 for Covid costs – only 0.87% of the total budget.

The results in the television arena were even more favorable. The CFC has 21 television series that take part in Fiscal Year 3. These projects anticipated spending over \$2 billion in total production budget, with only \$46 million for Health & Safety (2.26%).

Of those 21 television projects, seven did not budget Covid related costs. And four other series devoted less than 1% of their budgets for Covid.

As we look forward to Fiscal Year 4 of Program 3.0, we can expect to see money spent on Covid to continue to trend downward. This translates ideally to more money on the screen.



Nope | Universal Pictures



Little Things | Warner Bros. Pictures



Amsterdam | New Regency

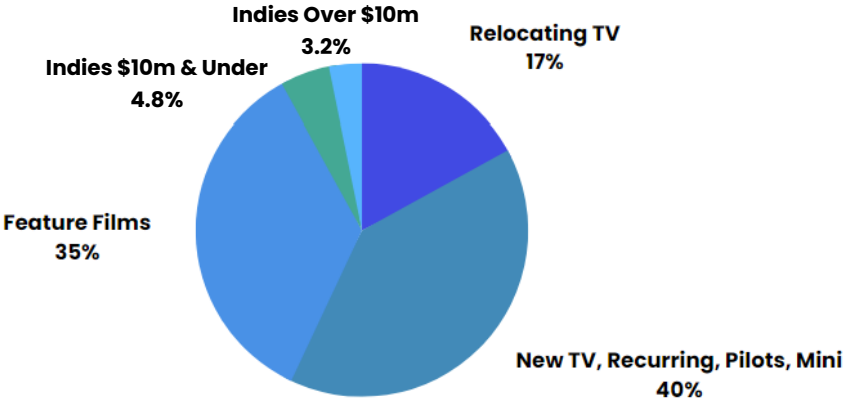
PROGRAM 3.0 AGGREGATE DATA

As of June 30, 2023, a total of \$905 million of tax credits were allocated for Program 3.0 projects. TV Pilots, Mini-Series, and Recurring and New TV Series make up \$412 million of credit allocation, while Relocating TV Series received \$106 million. Independent Film projects received credit allocation letters totaling \$91 million while non-independent feature films make up \$296 million of credits. Since the CFC is authorized to prioritize unused credits to the Recurring, New TV, Pilots, and Mini-Series funding category, there is a variance between the annual available funding categories versus actual funding for Program 3.0 fiscal years one to three.

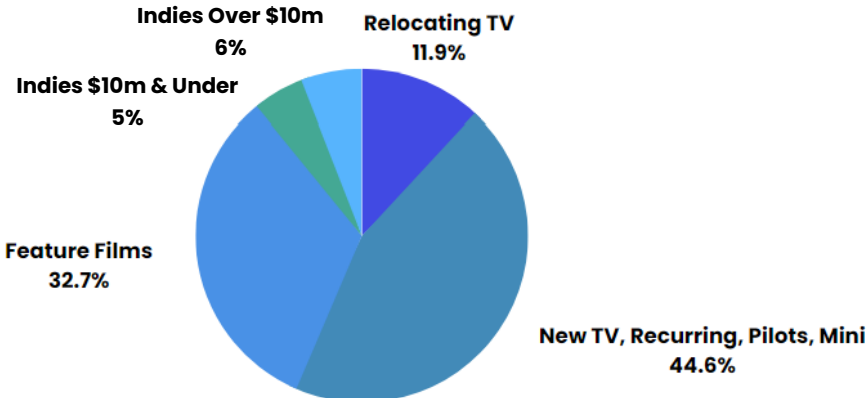
SUMMARY OF EXPENDITURES AND PRODUCTION HIRES

Approved projects in the Film and Television Tax Credit Program generated a total California in-state spend of \$7.3 billion since Program 3.0 started on July 1, 2020. Based on the budgets submitted by applicants, projects are estimated to incur a total of \$2.6 billion in non-qualified expenditures, \$2 billion in qualified non-wages and \$2.7 billion in qualified wages. Qualified wages do not include wage amounts paid to performers, writers, producers, directors, composers, or music supervisors, as these salaries do not qualify for credits. During fiscal year 2020-2021, approved projects generated \$2.1 billion in total California expenditures where \$785 million were attributed to qualified wages, \$615 million to qualified non-wages, and \$688 million for non-qualified expenditures. Another \$2.1 billion were added to California’s economy during the 2021-2022 fiscal year. Film and television projects generated \$737 million in qualified wages, \$548 million in qualified non-wage expenditures, and \$794 million non-qualified expenditures. As of June 30, 2023, approved projects under the 2022-2023 fiscal year contributed an estimated \$3.1 billion in California expenditures: \$1.2 billion in qualified wages, \$862 million in qualified non-wages, and \$1.1 billion in non-qualified expenditures. Aggregate figures reflect expenditures of applicants approved between July 1, 2020, to June 30, 2023 – the first three fiscal years of Program 3.0.

Funding Categories per Fiscal Year



Fiscal Years 1, 2, 3 Credit Allocation



\$7.3 Billion Total California Expenditures

Program 3.0 Approved Projects



Qualified Wages

Below-the-line wages are eligible expenditures. For wages to qualify, all services must be performed in the state of California.



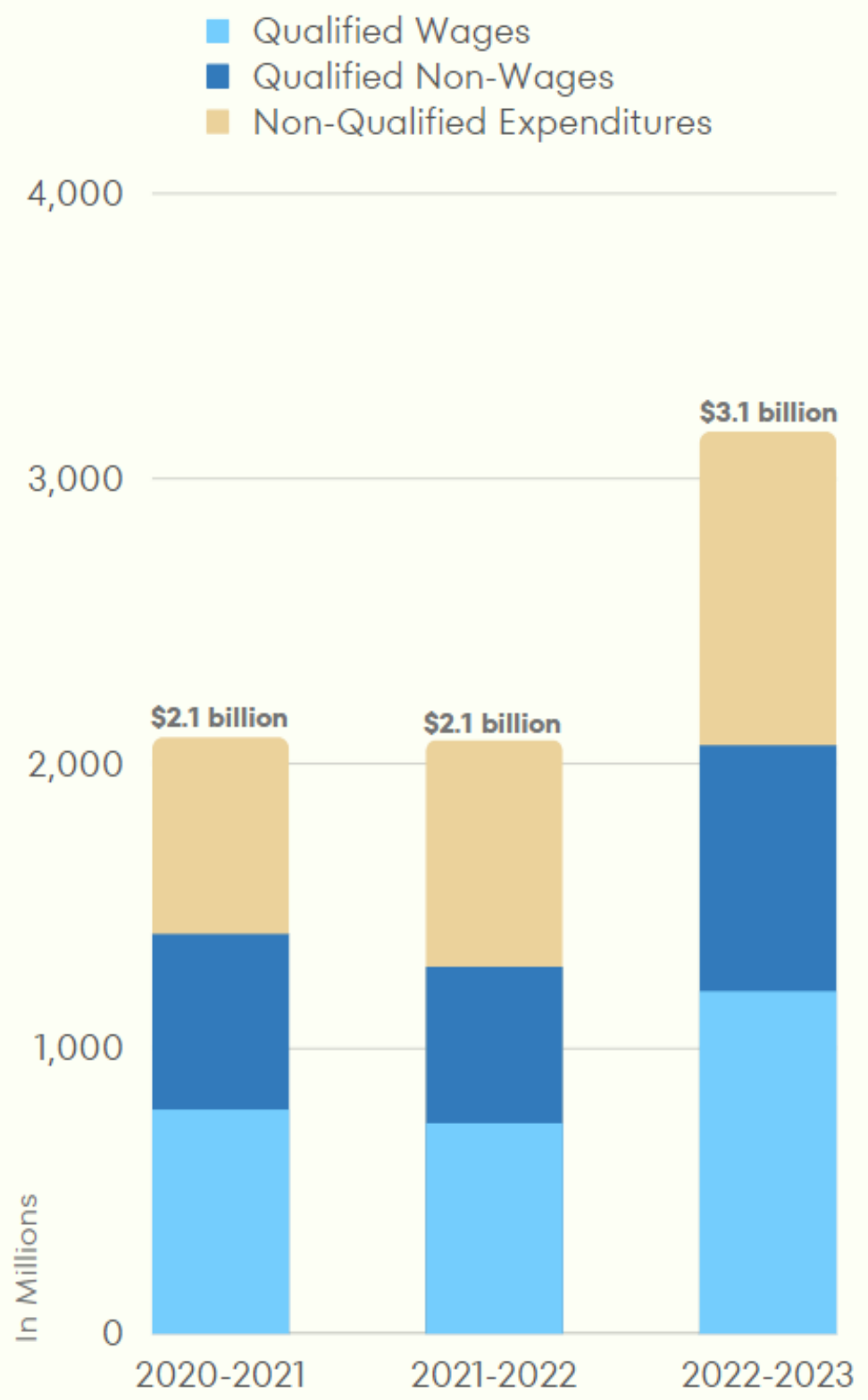
Qualified Non-Wages

For purchases and rentals to qualify, the items must be purchased or rented and used in the state.



Non-Qualified Expenditures

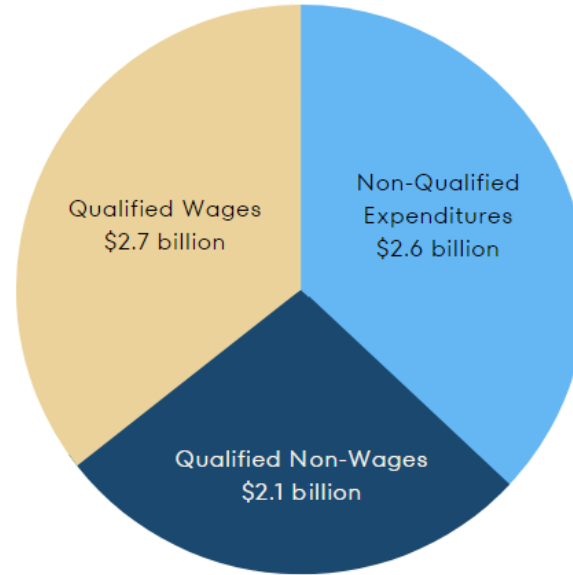
Above-the-line wages and all out-of-state expenditures are non-qualified.



A total of 134 projects have been accepted in Program 3.0. Twenty-four Recurring TV projects were accepted, and 11 Relocating TV projects moved to California. The Relocating TV Series section provides a breakdown of the nine projects. Due to the high demand of tax credits for Recurring TV applications during the first two fiscal years of Program 3.0, New TV applications were not accepted until the first application window of fiscal year three; five New TV Series are now part of Program 3.0. Sixty-one independent projects have been accepted in Program 3.0 a total of 26 non-independent feature films received credit allocations.

Program 3.0 projects are estimated to hire 14,003 cast and 23,867 crew members, while employing 287,800 background players – measured in days worked. A total of 376 days were filmed in California, with 78 days filmed outside the Los Angeles zone. The Regional Filming section gives further breakdown of filming throughout the state of California.

Total California Expenditures \$7.3 Billion



Credits Allocated: \$905 Million

PRODUCTION HIRES

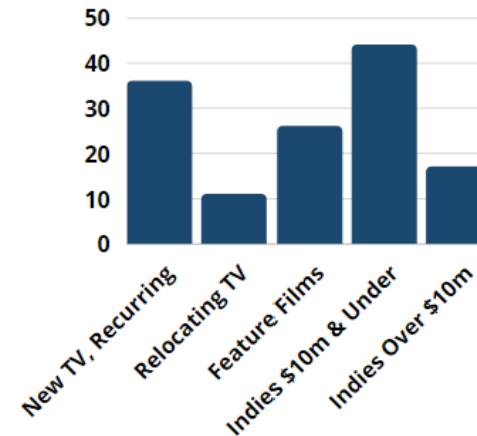


Cast Hires: **14,003** Crew Hires: **23,867**



Background Players in Days Worked
287,866

TOTAL # OF APPROVED PROJECTS - 134



FISCAL YEAR 1: 2020–2021

The CFC received 165 applications during the 2020–2021 fiscal year. Approximately \$257 million in tax credits were allocated to 31 film and television projects. Due to the success of the tax credit program in attracting television production to California, the CFC did not accept applications for any new TV Series, TV Pilot, or Mini-series during the first fiscal year of Program 3.0. This restriction was necessary to accommodate recurring TV applications. A “Recurring TV Series” is defined as a TV Series or Relocating TV Series, in its second or subsequent season in California, that received a prior allocation of tax credits. The CFC is statutorily mandated to earmark tax credits for Recurring TV Series applicants.

FISCAL YEAR 2: 2021–2022

During fiscal year 2021–2022, a total of 39 projects were approved out of the 145 submissions received. With government restrictions on Covid-19 easing up starting around early 2022, the number of approved independent productions in fiscal year 2 increased by 300% as compared from the previous fiscal year.

FISCAL YEAR 3: 2022–2023

As of June 30, 2023, the CFC allocated \$402 million tax credits to 64 eligible productions under fiscal year three of Program 3.0. Pilots, Limited, and New TV Series projects were allowed to apply due to the successful implementation of the additional \$150 million funding under SB 144 to allocate to Recurring TV applicants. In total, 12 new TV projects were accepted under fiscal year three of Program 3.0



Program 3.0 Data per Fiscal Year

FISCAL YEAR 1									
2020-2021	# of Projects	Total California Direct Expenditures	Qualified Wages	Qualified Non-Wages	Non-Qualified Expenditures	Tax Credit Allocation	Cast Hires	Crew Hires	Background Players in Days Worked
	31	\$2.1 Billion	\$785 Million	\$615 Million	\$688 Million	\$257 Million	5043	6018	81759
		Recurring TV	Relocating TV	New TV	Pilots	Limited	Feature Films	Indie Over \$10m	Indie \$10m & Under
		12	5	0	0	0	9	2	3
FISCAL YEAR 2									
2021-2022	# of Projects	Total California Direct Expenditures	Qualified Wages	Qualified Non-Wages	Non-Qualified Expenditures	Tax Credit Allocation	Cast Hires	Crew Hires	Background Players in Days Worked
	39	\$2.1 Billion	\$737 Million	\$548 Million	\$794 Million	\$246 Million	4192	6843	79444
		Recurring TV	Relocating TV	New TV	Pilots	Limited	Feature Films	Indie Over \$10m	Indie \$10m & Under
		8	2	0	0	0	9	7	13
FISCAL YEAR 3									
2022-2023	# of Projects	Total California Direct Expenditures	Qualified Wages	Qualified Non-Wages	Non-Qualified Expenditures	Tax Credit Allocation	Cast Hires	Crew Hires	Background Players in Days Worked
	64	\$3.1 Billion	\$1.2 Billion	\$862 Million	\$1.1 Billion	\$402 Million	4768	11006	126663
		Recurring TV	Relocating TV	New TV	Pilots	Limited	Feature Films	Indie Over \$10m	Indie \$10m & Under
		4	4	11	1	0	8	8	28



RELOCATING TV SERIES

In Program 3.0, Relocating TV series received credit allocations totaling to \$106 million. Eleven relocating TV projects generated more than \$646 million in California, where \$268 million were attributed to qualified wages. California gained productions from Czech Republic, Florida, Georgia, New Orleans, New York, Louisiana, Portland, and Vancouver. An estimated 3,400 cast and crew were hired with 21,000 background players, measured in days worked.



FEATURE FILMS

To be eligible, a non-independent feature film must have a minimum running time of at least 75 minutes with a minimum production budget of \$1 million. There is no distribution requirement. A live production distributed via network television may also apply as a feature film; simultaneous distribution must occur via streaming or internet service to qualify. As of June 30, 2023, 26 feature films have been accepted under Program 3.0 with a total credit allocation of \$296 million. With an aggregate sum of \$2.6 billion in California expenditures, 16 out of the 26 feature films have production budgets ranging from \$78 million to \$229 million.

Project Title	Cast & Crew Hired	Qualified Wages
Atlas	348	\$ 61,648,000
Beverly Hills Cop 4	371	\$ 53,358,000
Bullet Train	543	\$ 46,700,000
Gray Man	343	\$ 67,966,000
Joker Folie à Deux	228	\$ 62,722,000
Me Time	197	\$ 23,539,000
Michael	365	\$ 65,756,000
Nope	262	\$ 22,773,000
Out of Time	523	\$ 38,272,000
Peppermint	348	\$ 47,483,000
Rebel Moon: Part 1	368	\$ 46,420,000
Rebel Moon: Part 2	368	\$ 46,420,000
Thomas Crown Affair	430	\$ 56,315,000
Unfrosted	402	\$ 41,868,000
Yes Day 2	448	\$ 39,099,000
You People	269	\$ 28,788,000

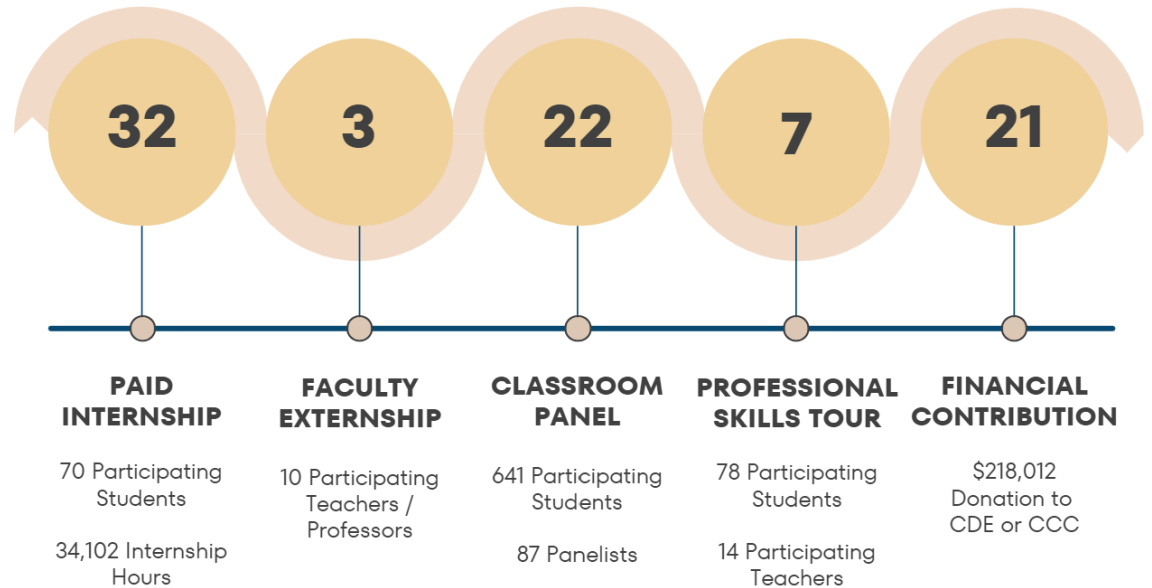


CAREER READINESS PROGRAM

Approved tax credit applicants must participate in a career-based learning and training program as an opportunity to inspire, train, and give back to the next generation of filmmakers. In collaboration with the California Department of Education (CDE) and the California Community Colleges Chancellor’s Office (CCC), the CFC developed [five participation options](#) for projects to choose from: paid internship, faculty externship, classroom panel/workshop, professional skills tour, or a financial contribution. Approved projects may fulfill this requirement during any phase of production.

To date, 85 projects in Program 3.0 have completed the Career Readiness requirement. The CFC expanded partnerships with various California high schools, community colleges, and career-based learning organizations, both in and out of the Los Angeles area, including: Emerson College Los Angeles; City College of San Francisco; Riverside Community College; CA State Summer School Arts Foundation; New Filmmakers LA; Los Angeles Community College Cinema Department; Santa Ana High School; Mt. Olive Technical and Industrial HS; Duarte High School; and RespectAbility, a non-profit organization focusing on people with disabilities/neurodiversity.

Career Readiness Participation per Project



As productions resumed principal photography after Covid-19 restrictions were lifted in 2022, seven projects invited 78 students and 14 faculty members to participate in Professional Skills Tours. Three productions selected Faculty Externship and hosted 10 teachers. Thirty-two projects hired 70 interns, paying for more than 34,000 hours. Between 2020-2023, notable projects selecting the Paid Internship option include:

- Joker: Folie à Deux - Local 695 Y-16A Trainee Program (665 hours)
- Sympathizer S1 -Art Department (284 hours), Health and Safety Intern (949.2 hours)
- Star Wars: Skeleton Crew - 2 Set Decoration Interns (1,724 and 1,676 hours), 1 Editorial Intern (1,480 hours), 1 Set Lighting Intern (1,869 Hours), 1 Grip Intern (1,233 hours), 1 Prop Intern (1,848 hours)
- Peppermint - Y-16 Sound intern (445 hours)
- Quantum Leap 1 -1 Grip (572 hours), Set Dressing (708 hours)

“

The most important lesson I learned from my internship is to always remember to keep the passion going. Always have hobbies that feed your creativity and never let anyone determine your worth"

Dayami Alcaraz, Intern
 "Mayans Season 5"
 Cerritos College

“

I learned that the more I make myself readily available for tasks, the more likely someone was to trust my work ethic and give me tasks with more responsibility. This experience reaffirmed all of my interest and awe in production. If anything, it exceeded my expectations and made me really solidify my career goals of wanting to be in the production office. This was the best experience I think I've ever had in my life."

Hallie Gardner, Intern
 "Winning Time"
 Access to Action

“

Resourcefulness is one of the most valuable tools to have in this industry; this internship strengthened my desire to be an editor. I would recommend this internship to my friends because it is a good way to build your resume and gain solid connections within the film industry."

Hector Cartagena, Intern
 "Centurion Dancing Stallion"
 Hollywood CPR



Mayans MC | Fox 21 Television Studios



Winning Time | Cooler Water Productions, LLC



Rescue Rangers | NewsSub 101 Productions, Inc.

During the Covid-19 pandemic, productions interested in hosting classroom workshops and panels were encouraged to do so via livestream to follow safety protocols and 22 projects did so. The CFC edited and formatted these virtual panels, and several are now available on the CFC website, free of charge, for students and members of the public interested in learning more about film and television production. Overall, a total of 179 students and 24 teachers have participated in the Career Readiness Program. In addition, \$218,012 were contributed by approved projects to CCC or CDE since July 1, 2020. The CDE and CCC have utilized these funds to provide educational opportunities for California educators and student, including workshops, classes, paid internships, educator institutes (see below), and scholarships for underserved students attending the California Summer School for the Arts.

California Department of Education AME Institute

Organized by the [California Department of Education](#), the Arts, Media, and Entertainment (AME) Institute (AMEI) is the largest annual professional convening of AME educators and industry professionals in the state. The AMEI, held in June 2023, was an in-person professional event designed to provide AME teachers the experiences, resources, information, and training that helps to ensure California's next generation of AME workforce is prepared for their future. The 9th annual AMEI welcomed more than 400 educators, administrators, industry leaders, tech innovators, and funders. The California Film Commission was named a Sector Sponsor for the 2023 AMEI. The CFC's Tax Credit Program Deputy Director participated in a session which brought educators, employers, and training providers together to discuss how best to prepare California's young people for jobs in the industry.

CAREER PATHWAYS PROGRAM

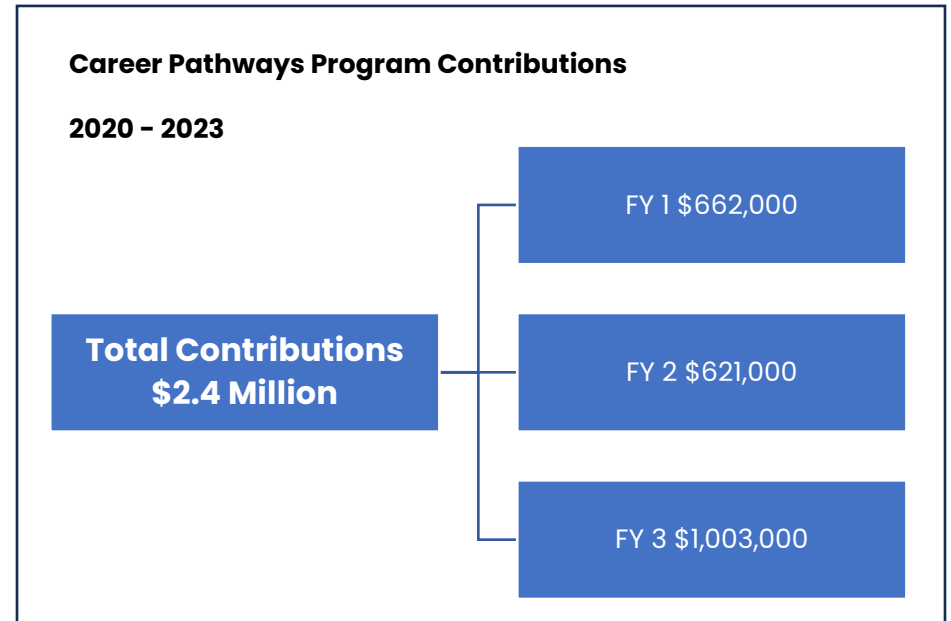
In addition to the Career Readiness Program, approved applicants selected to participate in the tax credit program are required to make a financial contribution to fund a [Pilot Career Pathways Training Program](#) for individuals from underserved communities to receive training for careers in the industry. As the fiscal agent, the [IATSE Training Trust Fund](#) (IATTF), with oversight by Program Director Kevin McDonald, administers the Career Pathways Program in conjunction with the CFC. Since the Career Pathways Program’s inception in 2020, ManifestWorks, Hollywood CPR, The Handy Foundation, CFC’s Entry level Accounting Program, and IATSE Local 695’s SVOP Y-16A Training Program have been instrumental in helping achieve the Program’s goals.

As projected, the Career Pathways Program served 218 participants for Year 3 of the pilot program, which nearly doubled the amount of student participants served in both Years 1 and 2 combined. In total, 359 participants completed training via the Career Pathways Program. Before the WGA Strike, the program’s impact was evident throughout film & TV production with our various programs graduating workers into a variety of crafts that include Set Dressing, Props, Grip, Production Sound, Post Sound, Costume, Set Lighting, Set Painting, Set Production Assistant, Assistant Editor, Virtual Production Specialist, Digital Imaging Technician, Production Coordinator, and Production Accounting Clerk. The Career Pathways Program’s own entry-level Production Accounting Course debuted in Fall of 2022 and has now graduated two cohorts totaling 59 new production accounting individuals.

With Covid-19 restrictions lifted in 2022, a new training partner – The Handy Foundation, and the inception of the new accounting program, the Career Pathways Program’s bandwidth expanded during fiscal year three. The program’s expansion allowed increased training opportunities for students residing throughout the state of California, outside of the Los Angeles area: Alameda, El Dorado, Kern, Orange, San Bernardino, San Diego, and Ventura.

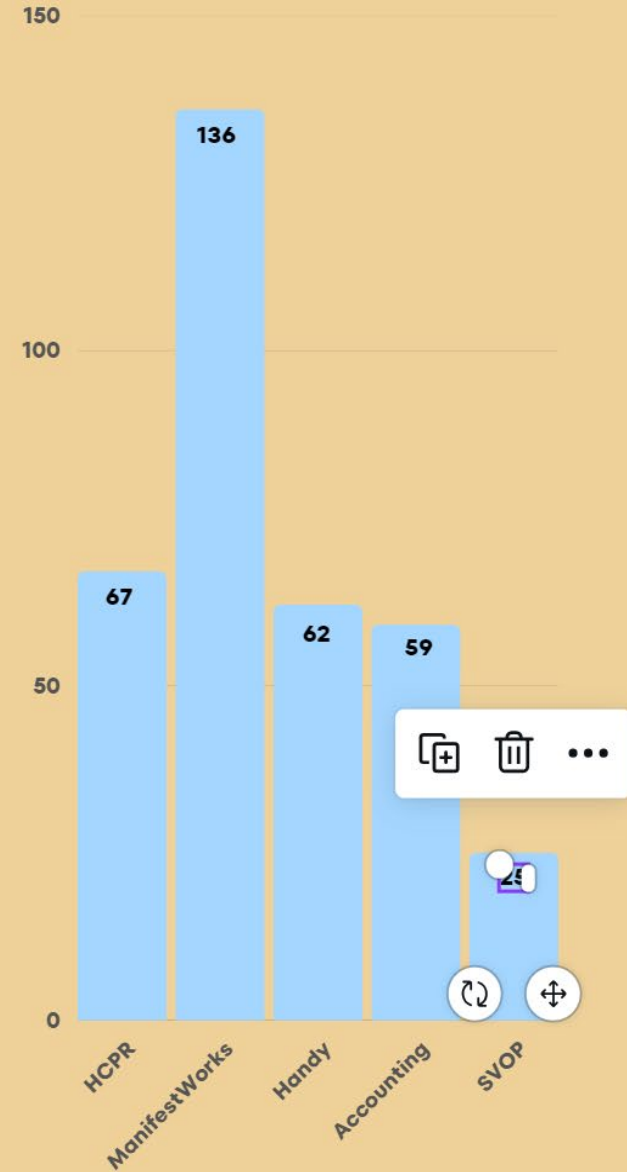
HOLLYWOOD CPR

Housed at West Los Angeles College, Hollywood CPR is the only training organization that has a direct partnership with the IATSE. Upon successful completion of the Hollywood CPR Certificate, workers are on the Contract Services roster and become part of the IATSE. To reach the goal of certifying 50+ students for IATSE membership annually, Hollywood CPR partnered with other Los Angeles Community College District (LACCD) campuses. Hollywood CPR received Course Curriculum approval through the LACCD to start classes in the Fall at Los Angeles Trade Technical College where Hollywood CPR will be collaborating and partnering with the Fashion Design Department that currently offers a Certificate and/or an Associate Arts Degree in Fashion Design. In addition to a focusing on the Costumers craft, LA Trade Tech will also provide a new Hollywood CPR Basic 101 Course and Labor Studies courses on the fundamentals of working in Film and TV production.



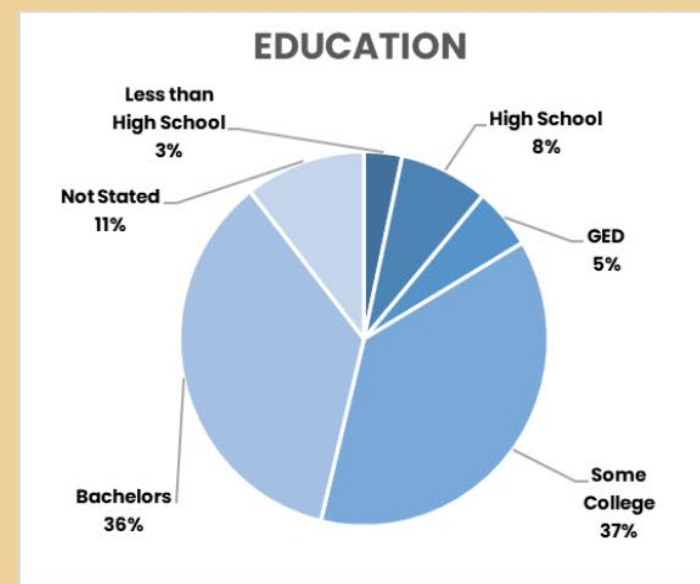
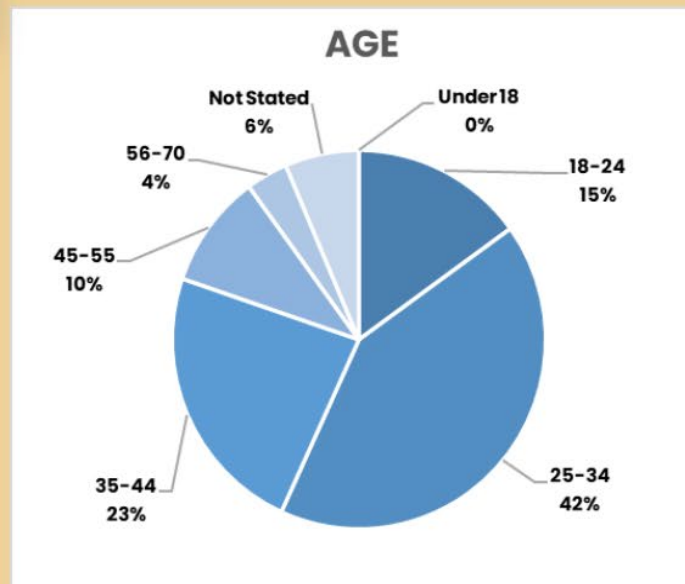
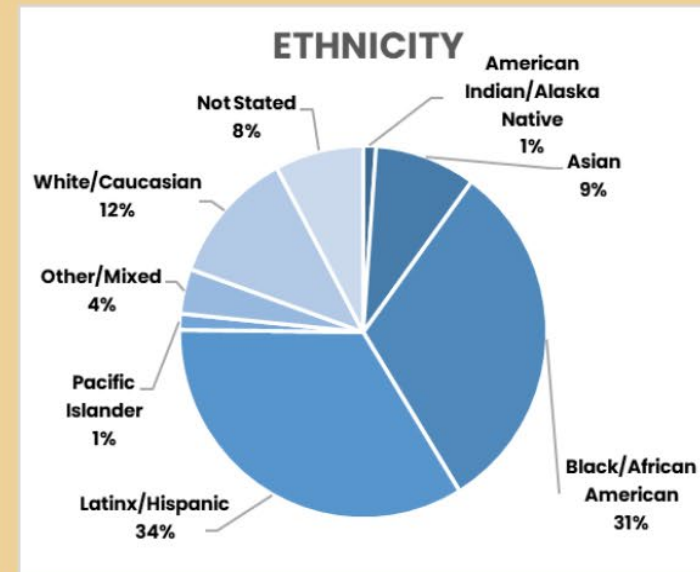
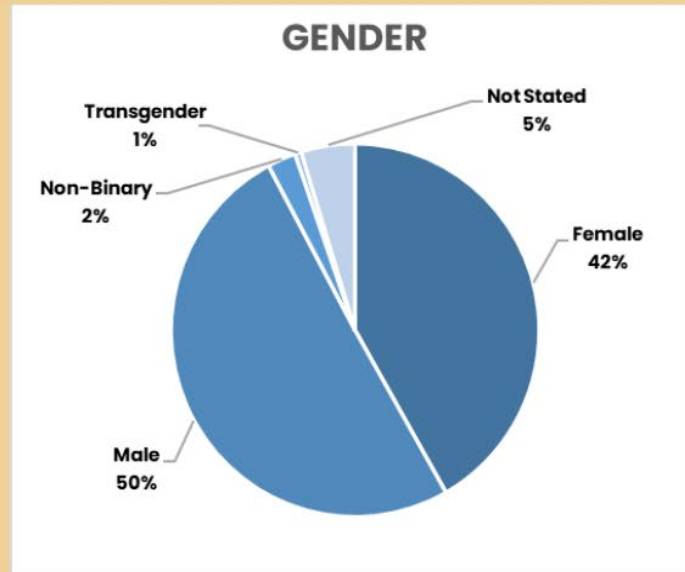
Career Pathways Program

Years 1, 2, 3 Participant Demographics



OF PARTICIPANTS

349: Years 1 - 3



Recruitment

Hollywood CPR continues to identify and explore potential outreach and expansion avenues to expand training sites and increase the variety of specialized union crafts courses. Hollywood CPR will continue hosting opportunities to students from various Los Angeles Unified School District high schools. In June, Hollywood CPR visited the Burbank Arts and Education Foundation to provide faculty and students information about program services, opportunities, and training in production crafts. Community college expansion includes collaboration with East Los Angeles College and Los Angeles City College. Hollywood CPR is seeking to expand craft training for Costumers, Hair and Make-up, Sign Writers, Food Styling – Food Props, Prop-Making, and other crafts represented within the IATSE Union Locals in Hollywood. These new satellite campuses will open the doors to skilled students from underprivileged backgrounds and communities directly into the Hollywood CPR union training pathways.

Ongoing Efforts

Hollywood CPR is working with the International Alliance of Theatrical Stage Employees (IATSE) Diversity, Equity, and Inclusion (DEI) Committees to establish itself as one of the leading traineeships that provides union training and pathways for various IATSE Locals. The IATSE DEI Committee Union Locals are currently working with IATSE Craft Locals that include Local 44 Art Department, Local 80 Grips, Local 600 Cinematography Guild, Local 705 Motion Picture Costumers, Local 728 Set Lighting, and Local 729 Set Painters and Sign Writers. These relationships provide the organization with the ability to expand to other crafts in the industry, giving even greater opportunities for students to integrate themselves into industry union careers.

Hollywood CPR has reported 11 graduates for the current Q4 reporting period, bringing their combined year three total graduates to 37. Current objectives include goal setting and planning to increase participation and, ultimately, students obtaining union jobs.

MANIFESTWORKS

ManifestWorks continues to provide access to film and TV below-the-line opportunities for those who have been impacted by homelessness, incarceration, and the Foster Care System. In addition to Set Production

Assistant training, ManifestWorks places participants into Set PA positions until the graduates have built their own self-sustaining professional networks. The wages for the jobs the organization connects their graduates with are now \$225-\$300 per 12-hour day, before overtime. Additionally, the ManifestSupport program provides wrap-around services in the form of cash grants, referrals, ongoing therapy, and life-skills training. ManifestWorks expanded financial literacy and financial planning programs and have doubled the funding available for emergency cash grants. Enhancing communication and improving connections with participants is one of the organization's primary goals to reach long-term success of participants.

Recruitment

Doubling the number of orientation and outreach sessions, ManifestWorks is currently hosting its two largest Set PA Training cohorts. Outreach was made to the following organizations: LA County Office of Opportunity, the NoHo Home Alliance, Mercy Street LA, Olive Crest, Union Rescue Mission, and Peace 4 Kids. ManifestWorks routinely works with government agencies and non-profits aligned with each of the communities they serve, communicating with county probation officers, probation departments, and county elected officials to promote their program. For example, ManifestWorks presents to Parole officers and recent parolees at employment fairs and at transitional housing and group homes for parolees. In addition, ManifestWorks has an existing contract with the California Bureau of State and Community Corrections to serve adults leaving prison. Program alumni are encouraged to help and identify participants rise above trauma to find transformative success in their new professional careers.

Ongoing Efforts

ManifestWorks is committed to recruiting qualified candidates to ensure program completion and career development. However, the organization is currently faced with the challenge of finding employment due to the labor disruption. In response, ManifestWorks intensified collaboration with hiring partners to meet the increased number of employment needed during this difficult time. Despite the current challenges, the Spring Set PA Training yielded 29 graduates, the organization's largest cohort in its 9-year history, bringing the organization's year total graduates to 60. Additionally, there are

37 participants currently enrolled in the Summer Set PA Training. ManifestWorks expects to graduate a record number of individuals this year as they continue to prioritize promoting participants from the Set PA program into IATSE union positions and increase opportunities for alumni in union positions.

THE HANDY FOUNDATION

With additional funding under SB 144, the CFC published a Request for Proposals for non-profit organizations interested in becoming a provider for the Career Pathways Training Program. The Handy Foundation was added as the third training provider during fiscal year three of the Tax Credit Program. Starting off with an Assistant Editor training program, the Handy Foundation expanded programming to include training for Virtual Production Specialists, Digital Imaging Technicians (DIT), Production Coordinators, and Sound Mixers. Most of the organization's training is done virtually to enhance the range of student participation throughout the state of California. With existing partnerships with Netflix, NBCUniversal, Roku, and Bunim Murray, the Handy Foundation is always seeking new collaborations to assist graduates with job placement.

Recruitment

Handy Foundation developed a robust outreach program and recruits through its social media presence and community outreach partners. Community partners include the Urban League of Los Angeles, NAACP, Television Academy, Para Los Niño's, BRIC Foundation, Hire LA, Brotherhood Crusade, Better Youth, LACC, Mount Sac College, Cal State Northridge, KDOL TV in the Oakland Public School district, Youth Media in Oakland CA, Streetlights and ManifestWorks Alumni.

Ongoing Efforts

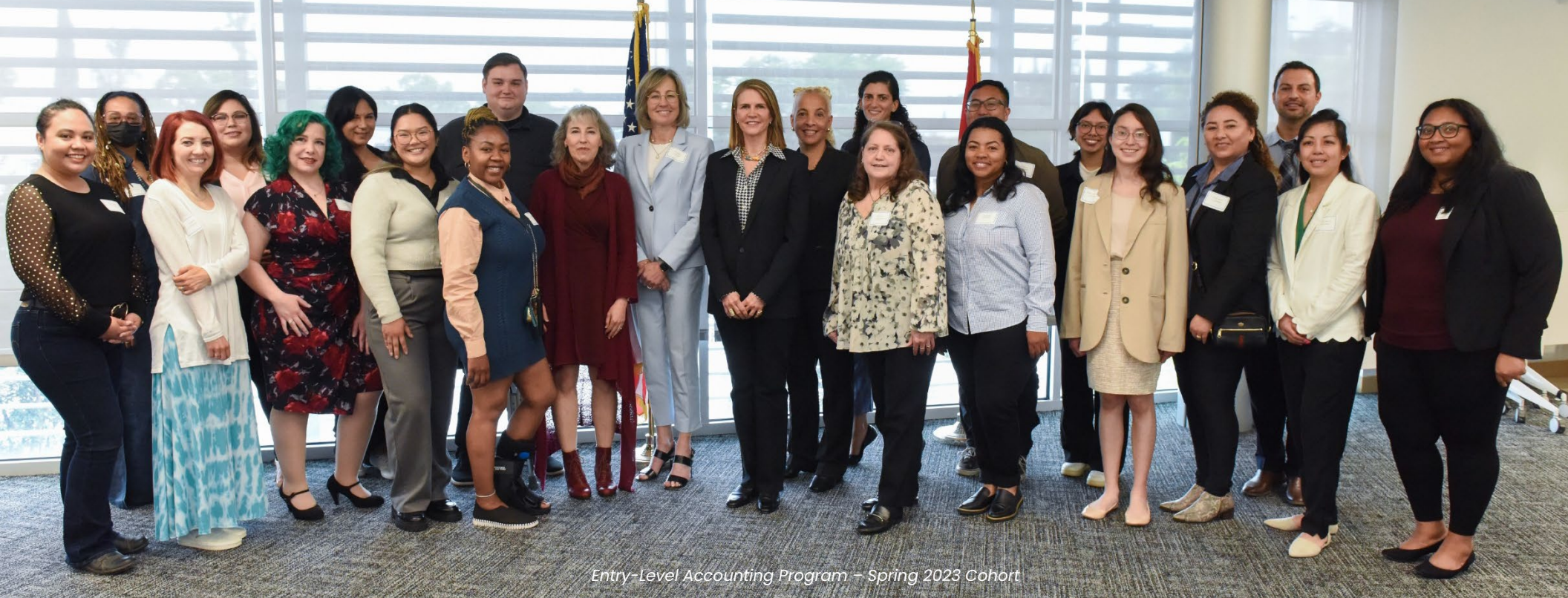
The Handy Foundation has reported 32 graduates for this quarter, bringing their Year 3 total number of graduates to 62.

PRODUCTION ACCOUNTING COURSE

Realizing a shortage existed in this field, the tax credit program Deputy Director sought to create a course to train individuals for careers in production accounting. Following an RFP (request for proposal) process, the IATTF and the CFC recruited a veteran accountant and finance executive, Ida Lee Henderson, to write the content, along with Robyn Charles of Education Media to create the instructional design for an on-line course which would be available to individuals living throughout the state. The 7-week distance learning opportunity is financially supported by projects in the California Film & TV Tax Credit Program and the Soundstage Filming Program.

After a rigorous development and testing period, the California Film Commission Pilot Career Pathways Program announced the first Entry-Level Production Accounting Course in the fall of 2022. The course equips students throughout California with the skills and connections to obtain an entry-level position in TV & Film Production Accounting. The inaugural Entry-Level Production Accounting Course launched on September 26, of 2022 and concluded on November 9, 2022. After a comprehensive application promotion campaign that included social media, targeted email/flyer distribution, and a press release, the Career Pathways Program received 114 applications. A cohort of 30 students from seven different counties throughout the state was selected for the first cohort, and 29 successfully completed the program. Graduates from the Fall 2022 course are currently employed as Clerks, 2nd Assistants, or 1st Assistants at various companies such as Netflix, Disney/Marvel, Disney Post, Lionsgate, Warner Bros, and Fifth Season. Additionally, Lionsgate, Netflix, and NBCUniversal are now timing companies' internal production accounting initiatives with the CFC accounting graduation to align job placement.

The application for the Spring 2023 course opened on March 20, 2023; a total of 330 applications were submitted for the 30 spaces available in the cohort. The second cohort of the Entry Level Production Accounting Program commenced on April 23, 2023, and successfully concluded on June 9, 2023. The Career Pathways vendor partner, Education Media, successfully



Entry-Level Accounting Program – Spring 2023 Cohort

launched a new Learning Management System (LMS) which offers a range of essential features, including a self-populating grade book, a Discussion Board for interactive communication, Virtual Live Classes for real-time instruction, a Homework Submission Portal for seamless assignment submission, a Class Resources Folder for easy access to course materials, and a Timed Release of Courses feature to ensure structured progression throughout the program, and a calendar and deadline notification feature.

Recruitment

The Career Pathways Program utilizes an outreach and promotion strategy that has resulted in great outcomes for the first two sessions of the Entry Level Production Accounting Course. Course flyers and informational emails were distributed to an expanding list of community organizations, community colleges, and Cal-State universities. The Fall alumni also proved an invaluable asset to the program's recruitment and outreach efforts for the Spring course. The Program Director also maintains an ever-growing database of studios and employers who are eager to support the program graduates. These employers receive student updates and frequently meet with the Director to discuss opportunities for further support and employment.

Ongoing Efforts

During fiscal year 3, the Career Pathways Program welcomed the first two cohorts of the Entry Level Production Accounting Course, which yielded 59 program graduates for the year. The graduation ceremony and hiring fair event for both cohorts were well attended with studio representation from Warner Bros. Discovery, Disney, Paramount, HBO/Max, Lionsgate, Netflix, NBCUniversal, and Sony. Unfortunately, due to ongoing union strikes, there are fewer employment opportunities until productions resume. Studio partners have expressed interest in offering contracts and job placements for recent accounting graduates when union negotiations conclude, and/or when productions re-commence principal photography.

LOCAL 695 SVOP Y-16A TRAINING PROGRAM

IATSE Local 695's SVOP Y-16A Training Program is a unique, hands-on career training process designed to provide career opportunities for those who might otherwise lack a path into the industry. Though the Y-16A Production Sound/Video Trainee classification has existed in Local 695's collective bargaining agreement since 1996, a formal program to nurture it was not established until 2020. Vetted and approved Trainees receive multiple production placements where they shadow and are mentored by their respective Sponsoring Crews. Throughout the process, Local 695 Mentors and Trainees alike sit for assessment interviews, submit progress reports, and discuss their progress within the program. After receiving multiple signatures of approval from their Mentors, Trainees become eligible to take the next step in Union initiation. The Y-16A hourly rate has been set at \$23.65,

plus benefits. This wage reflects the current Los Angeles cost of living standard.

Ongoing Efforts

The SVOP Y-16a Training Program has been working with the Career Pathways Program since 2020. While the SVOP Y-16a Program does not require any financial support, their mission is in line with the core mission of the Career Pathways Program. There are no new graduates from this program as IATSE Local 695 continues to struggle to gain buy-in from production companies to hire trainees at the \$23.65/hour rate. Consequently, the trainees are not able to get the hours needed to complete training and advance to initiation. With this struggle, infused with current union strikes, the program was unable to produce any new graduates for fiscal year 3 of the Career Pathways Program.

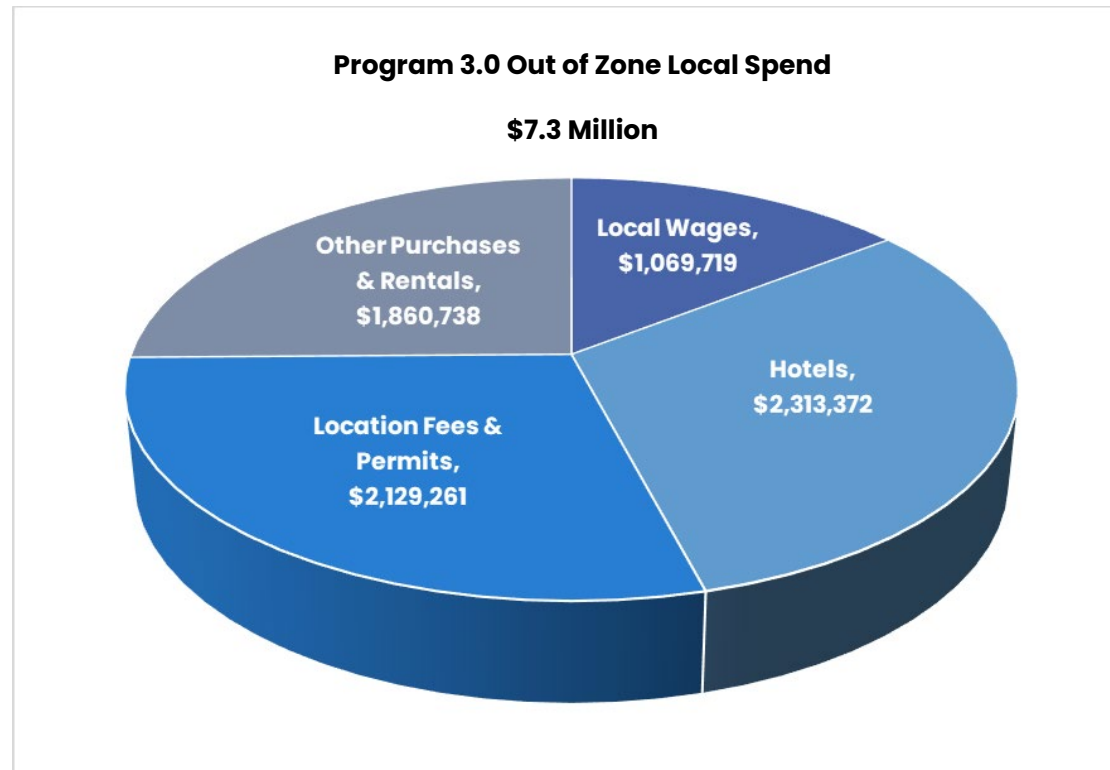
SPECIAL NOTE

The WGA and SAG-AFTRA strikes significantly impacted the Career Pathways Program. All training partner organizations reported great difficulty in securing placements and job leads for program graduates. Similarly, the challenge applied to the Entry Level Production Accounting Course Program. Despite a great employer turnout of nine studios for the Spring production accounting hiring fair, only one studio indicated an interest in offering three potential opportunities. Even though the strikes concluded and labor contracts are ratified, studio finance representatives continue to stress the challenges of entry level production opportunities until production resumes, which is expected to begin around Spring 2024. This lack of industry employment opportunity is forcing all training partners to reevaluate their programming and may result in fewer overall graduates for Year Four of the Career Pathways Program.

REGIONAL FILMING IMPACT

New to Program 3.0, the local hire labor uplift incentivizes prospective applicants to take advantage of the filming outside the Los Angeles zone. Non-independent productions - feature films, new and recurring television series, pilots, or miniseries - are eligible to receive an additional 10% tax credit for qualified local hire labor. Independent films and relocating television series are eligible to receive an additional 5% tax credit for qualified local hire labor. Documentation is required (California driver's license, recent utility bill) to substantiate where local labor is domiciled and should be requested by production accountants at the time of hire and provided to the CPA performing the audit. 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. 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.

As of June 30, 2023, more than 13 feature films and television series spent more than \$7 million outside the City of Los Angeles 30-mile zone. These expenditures included \$1 million for local wages, \$1.8 million in local purchases and rentals, \$2.3 million for local hotels, and \$2.1 million for location and permit fees. This spending benefitted 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 impacted local governments directly via payments made to local police and fire departments, as well as revenue from local permit fees. The 13 projects locally employed 34 cast, 97 crew, and 267 background players. As other productions complete post-production and ultimately submit final expenditures report, the local community expenditure spend figures will actualize and most probably increase.



SPOTLIGHT: REGIONAL FILMING SPEND

Centurion: Dancing Stallion



LOCAL EXPENDITURES: \$620,000

Local Wages: \$185,000

Local Vendors: \$435,000



LOCAL FILMING DAYS: 19 days

COUNTIES: Napa, Sonoma



LOCAL HIRES

Cast: 3 Crew: 69

Background Players: 115

NOTE: *Centurion: Dancing Stallion*, an independent film from Program 2.0, filmed entirely out of the Los Angeles zone.



Out of Zone Expenditures

\$157.4 Million

Northern California

\$ 119 million

- DEL NORTE \$902,000 *Bird Box*
- HUMBOLDT \$499,000 *A Wrinkle in Time*
- MENDOCINO \$1,516,000 *Bumblebee, Sharp Objects*
- EL DORADO \$830,138 *Top Gun: Maverick, Kimi*
- SONOMA \$6,312,000 *13 Reasons Why, Beautiful Boy*
- NAPA \$1,658,000 *13 Reasons Why*
- SOLANO \$52,368,000 *13 Reasons Why, Bumblebee, Centurion the Dancing Stallion*
- MARIN \$32,947,000 *13 Reasons Why, Beautiful Boy, Bumblebee*
- SAN FRANCISCO \$12,727,348 *13 Reasons Why, Ballers, Beautiful Boy, Bumblebee, Jexi, Pitch, The OA, This Is Us 6*
- 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 \$1,035,688 *Bumblebee, Rim of the World, Invasion*
- SACRAMENTO \$144 *Kimi*
- GLENN \$224 *Kimi*
- COLUSA \$1,179 *Kimi*

Central California

\$ 4 million

- FRESNO \$427,446 *Captain Marvel, Kimi*
- INYO \$641,250 *Bumblebee, Invasion*
- KINGS \$280,100 *Top Gun: Maverick, Kimi*
- SAN LUIS OBISPO \$885,413 *The Affair, This Is Us 6*
- SANTA BARBARA \$235,000 *Star Trek: Picard*
- KERN \$2,229,282 *Captain Marvel, Devil Has a Name, Ford v Ferrari, Top Gun: Maverick, Invasion*
- MERCED \$1,324 *Kimi*
- MADERA \$730 *Kimi*
- KERN \$1,666 *Kimi*

Southern California

\$ 29 million

- VENTURA \$6,516,248 *Ballers, Ford v Ferrari, Magic Camp, Purge 5, Rim of the World, Rosewood, Scream Queens, The Babysitter 2, Unbroken, Vice, American Horror Story, King Richard, Accidental Getaway Driver, Incoming, Invasion, Mayans MC 4, Promised Land, The Prank, Westworld 4, Westworld 4*
- ORANGE \$4,131,999 *Ad Astra, American Horror Story, Ballers, Chips, Ford v Ferrari, Lucifer, Magic Camp, Rosewood, Suburbicon, This is Us, King Richard, Accidental Getaway Driver, Gray Man, Kimi*
- SAN BERNARDINO \$3,596,971 *Bumblebee, Ford v Ferrari, Purge 5, The Way Back, Us, Veep, Don't Worry Darling, Accidental Getaway Driver, Invasion, Kimi*
- RIVERSIDE \$1,752,031 *A Star is Born, Twin Peaks, Don't Worry Darling, Invasion, You People*
- SAN DIEGO \$12,982,449 *Animal Kingdom, Top Gun: Maverick, Pitch, Animal Kingdom 6*
- IMPERIAL \$97,000 *Mayans MC*

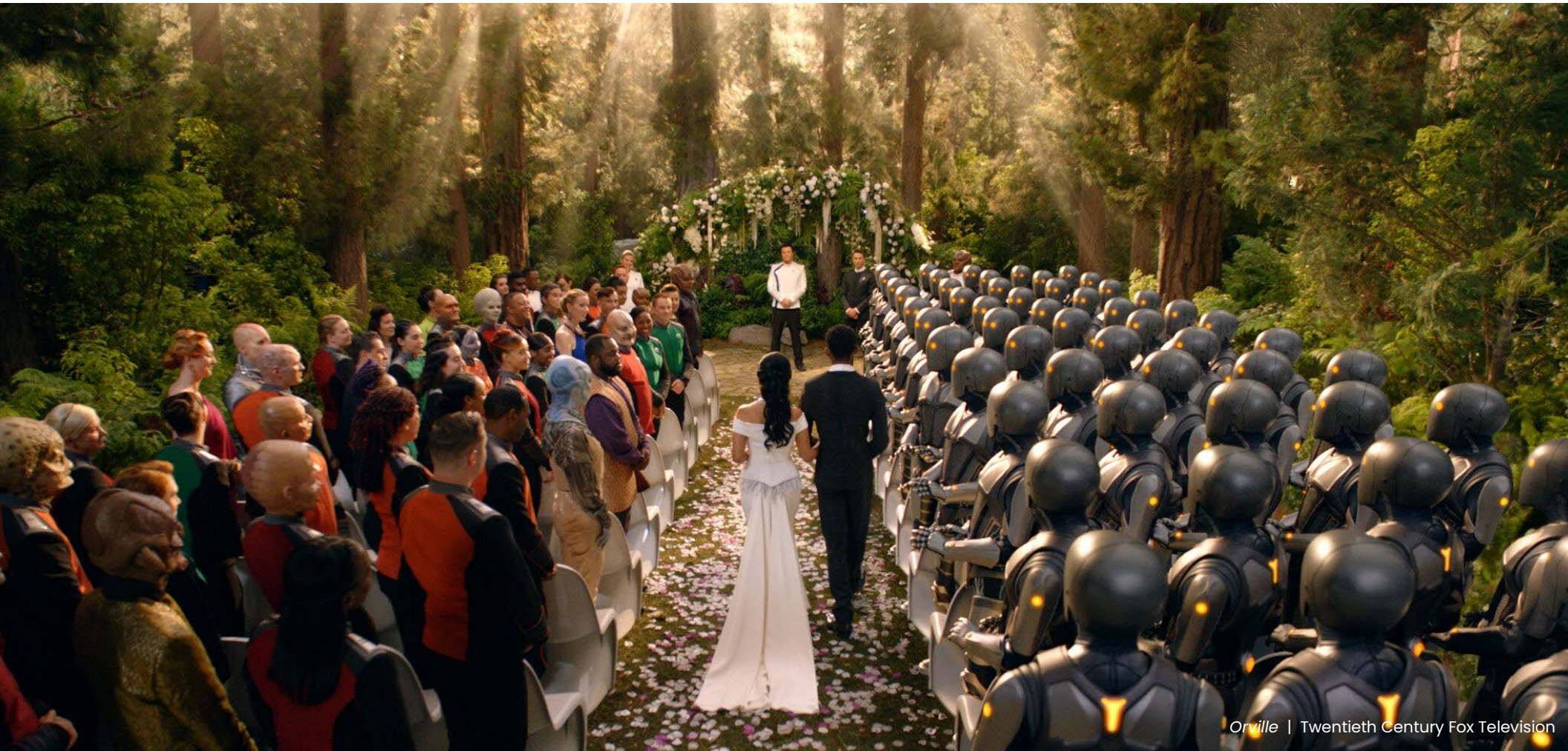


The list of expenditures include projects from both Programs 2.0 and 3.0.

SOUNDSTAGE FILMING TAX CREDIT PROGRAM

Senate Bill (SB) 144 created the California Soundstage Filming Tax Credit Program to incentivize construction and renovation of California soundstages as well as repurposing of other space into soundstages. Tax credits are allocated to eligible qualified motion picture projects (Soundstage Filming Program, Phase B) that film on soundstages approved as part of a Certified Studio Construction project (Soundstage Filming Program, Phase A). Phase A and Phase B applicants can be, but are not required to be, the same entity. However, to qualify, the Phase B applicant must either be owned by the owner of the Certified Studio Construction Project or enter a long-term lease with them.

The Soundstage Filming Program is aimed at construction projects spending \$25 million or more over no more than five years to build, renovate, or repurpose soundstages. Only construction projects with foundational or structural building permits dated after July 21, 2021, are eligible to apply for certification. The Program is still in its early stages, and aside from supporting current Program participants, the CFC continues to provide technical assistance to prospective Phase A applicants looking to achieve certification once they have fulfilled Program requirements and are eligible to submit an application.



Once a soundstage has been certified, eligible Phase B projects may apply for a Credit Allocation Letter (CAL). Tax credits in the Soundstage Filming Program are currently capped at \$12 million per project or per season of a television series, inclusive of all Uplifts.

On February 15, 2023, permanent regulations for the Soundstage Filming Program were adopted, outlining application and certification procedures, as well as applicant interim responsibilities. At the time of writing, the CFC is aware of proposed statutory amendments to some aspects of the Program that may be signed into law and require regulatory changes.

While the main Program includes requirements related to diversity initiatives and the collection of voluntary, self-reported demographic data for participating projects, the Soundstage Filming Program is the first CFC tax credit program that also requires a detailed, project-specific diversity workplan as part of the Phase B application. The CFC is available to support applicants with technical assistance as they develop a workplan unique to their project, which includes goals for above- and below-the-line workers, as well as the creative aspects of the project. Applicants who meet or make a good-faith effort to meet the goals set out in their workplan are eligible for a tax credit uplift.

Demand for soundstage space in California continues to be high, and the updated [FilmLA Soundstage Production Report](#), published on March 30, 2023, shows continuing high soundstage occupancy, as well as overall growth from 2018 to 2021 for studio production facilities (from 52 to 64), soundstages (from 384 to 445), and overall size of production space in the Los Angeles area (from 5.2 to 6.2 million square feet). With an awareness of the high demand and the impact that production can have on local economies, infrastructure expansion is also ongoing in other parts of the state. One example is an initiative by the Humboldt County Film Commission to pursue development of a [Redwood Region](#) studio.

New and ongoing soundstage development projects around the Los Angeles area are listed on the right.

Ongoing Stage Construction and Renovation Around the Los Angeles Area				
Name/Location	Stages	Sq. ft.	Opens	Notes
8 th and Alameda Studios, DTLA/ADLA	17	300,000	Unknown	
Alameda Crossing, DTLA/ADLA	8	144,000	Unknown	Awaiting approvals
Coachella Studios, Coachella	24	100,000	2025	In development
East End Studios, Boyle Heights	5	102,000	Unknown	Projected start 2023
East End Studios, DTLA/ADLA	16	321,520	2026	Awaiting approvals
East End Studios, Glendale	2	36,054	2023	Projected completion 2023
East End Studios, Griffith Park	10	200,000	Unknown	Awaiting approvals
Echelon Studios, Hollywood	5	91,000	Unknown	Projected start 2023
Echelon Television Center, Hollywood	4	76,000	2026	
Film Palmdale Studio, Palmdale	1	2,500	2023	
Fox Studio Lot, Century City	9	Unknown	Unknown	Awaiting approvals
Grandave Studios, Banning	16	Unknown	Unknown	
Radford Studio Center, Studio City	2 to 7	Unknown	Unknown	Awaiting approvals
Reframe Studios, Atwater Village	3	65,000	2023	Projected completion 2023
Shadowbox Studios, Santa Clarita	19	475,000	Unknown	Awaiting approvals
Stocker Street Creative, Crenshaw	4	50,000	2025	
Sunset Glenoaks, Sun Valley	7	126,000	2023	
Super Studios, Banning	8 to 12	Unknown	Unknown	
Sylmar Studios, Sylmar	12	300,000	2024	
TVC, Beverly/Fairfax District	9	85,661	Unknown	Awaiting approvals
Warner Bros. Ranch Lot, Burbank	16	320,000	2025	Projected start 2023

SPOTLIGHT: SOUNDSTAGE FILMING TAX CREDIT PROGRAM

Quantum Leap 1 & 2



QUALIFIED EXPENDITURES: \$116m

Qualified Wages: \$64 million

Qualified Non-Wages: \$52million



CALIFORNIA FILMING DAYS: 202 days

Soundstage Days: 89

Certified Soundstage Days: 89



PRODUCTION HIRES

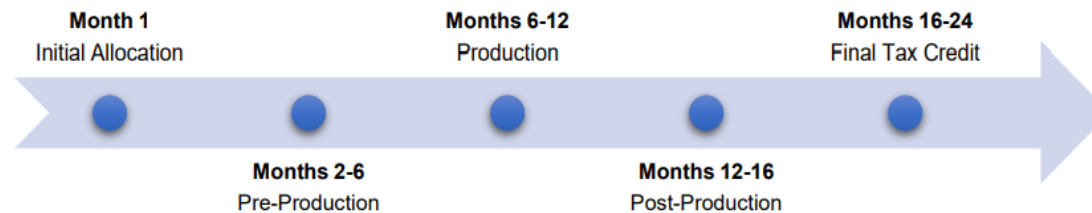
Cast: 10 Crew: 525

Background Players in Days Worked: 8,500

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). 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. The CFC’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 percentage amount.

GENERAL TIMELINE FOR CERTIFICATE ISSUANCE



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 pilot receives final certification as early as 15 months from the date of approval, while mini-series and independent projects average 19 months. Relocating and recurring 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.

To date, **\$497 million** of total credits have been claimed from Program 1.0 while **\$589 million** have been claimed by Program 2.0 projects, as reported by the Franchise Tax Board and the California Department of Tax and Fee Administration.

Special Note: Please see refundability provision under Program 4.0

SUSTAINABILITY: ON THE SET AND ON THE SCREEN

California has implemented ambitious climate change policies, investing over \$3 billion a year to achieve:

- A Carbon neutral economy as soon as possible, no later than 2045
- 40% reduction in annual emissions by 2030
- 90% clean electricity retail sales by 2035, 95% by 2040, 100% by 2045
- Ban all internal combustion engine vehicle sales starting 2035

As a key California economic force, the entertainment industry is committed to doing its part to achieve these goals and can be a model for other sectors. A great majority of studios and major production companies have very effective sustainability programs, focusing on methods to save resources, such as paper, construction materials, and water, along with recycling, re-purposing, and decarbonization (electric vehicles, battery-powered generators). But what about storytelling that acknowledges the climate crisis and/or normalizes climate-friendly behavior?

According to new research from the **USC Normal Lear Center Media Impact Project**, of the more than 37,000 films and episodes aired in the United States between 2016–2020, less than 0.6% mention climate change. Expanding the analysis to climate related concepts (sea level rise, increasing forest fires, more extreme weather events), only 2.8% of those programs included any mention. Some of the key barriers that have been identified include thinking climate change is preachy, boring, and uncommercial. Writers state that they often feel that mentioning the climate may be too political, and they are also afraid of getting it wrong. As part of the same study, which focuses on the power of entertainment to promote social change, the authors write: *“As a social strategy, narrative change holds promise because it goes beyond the surface. Once we reframe issues, we change how we talk, vote, and consume in relation to those issues, and ultimately, we can see shifts in relevant policies, norms, and rules. The legitimacy of entertainment-driven narrative change efforts is strengthened by numerous studies demonstrating that popular media contributes to measurable, important changes in people’s lives.”* (1) Do viewers care about the climate crisis? Do they want their entertainment to integrate it into their stories?

RARE, a global leader in driving social change for people and nature, conducted a census-matched survey of over 1200 Americans who were asked “Do you think Hollywood should include more climate-friendly action on screen in order to help address climate change”. They found that over 70% of respondents said yes. RARE’s research has shown them that when climate-friendly actions are depicted on-screen as common, normal, and expected, viewers will be more likely to change their behavior. (2)

There are ways to integrate the climate into stories to make them climate friendly and entertaining, and here are some from **GOOD ENERGY**, a non-profit which works to “accelerate entertaining stories that reflect the world today” (3):

- Background placement: production design, locations, set dressing e.g., solar panels on roofs or a scene in a chic plant-based restaurant;
- Climate Mentions: One-off dialogue, day players and single episode arcs, e.g., a meet-cute at an electric vehicle charging station
- Climate Characters and Storylines, e.g., supporting characters and storylines that influence the character’s actions
- Climate World: climate-related events which influence the story in meaningful ways, e.g., a huge storm upends the lives of people in a small town

The power of climate storytelling has grown worldwide, with some organizations supported by public funds. **CLIMATE SPRING** is a new organization in partnership with the British Film Institute (BFI) Network (made possible by National Lottery funding) to help inform, inspire, and incentivize mainstream content makers in the United Kingdom and Wales to explore climate change stories in a more impactful and positive way (4). The use of the country’s lottery funding to develop scripted long form TV and feature film projects about climate change emphasizes the importance of storytelling in combatting the climate crisis and provides a model that other locales can follow; the CFC’s efforts to include an uplift for decarbonization and climate storytelling was not adopted. The following section will focus on two companies – Netflix and NBC/Universal – that have a host of policies and

procedures to reduce their carbon footprint, as well as programs to use the power of storytelling to help combat the climate crisis.

NBCUNIVERSAL

Environmental stewardship for film and TV production has long been a priority behind the scenes through the **NBCUniversal Sustainable Production Program**. The program was launched in 2009 to integrate sustainable best practices into production processes and now helps over 70 films and TV series with their greening efforts annually. Key efforts in California have included:

- NBCU's transition to innovative and energy efficient technologies including LED set lighting which uses about 70% less energy than conventional set lighting, Renewable Diesel, a fuel which produces 80% less lifecycle carbon emissions in vehicles and generators, and solar-powered cast trailers that reduce reliance on generators;
- The Universal Studios Lot Food Donation Program which encourages productions on the Lot to drop off catering leftovers in designated fridges for pick up by the Hollywood Food Coalition for distribution to community members in need;
- The NBCU Television Asset Center which supports set reuse and storage with 290,000 square feet of space between Los Angeles and New York is dedicated to repurposing sets, furniture, props, and costumes.

NBCU is also working to integrate on-screen sustainability through compelling storytelling that showcases the possibilities of a more sustainable future and by normalizing sustainable actions and behaviors. Universal Picture's **Nope** (filmed in California with the assistance of the tax credit program) highlighted sustainability on-screen with an electric motorcycle, Western-themed charging stations, three-stream recycling bins, green signage, and a dedicated section in the credits listing its sustainability efforts. Similarly, in Universal Television's **Never Have I Ever**, sustainability is present on screen with recycling bins, reusable shopping totes, signs around the school, as well as dialogue between the young, climate conscious cast.



Through the newly launched [GreenerLight Program](#), Universal Filmed Entertainment Group (UFEG) expanded this work even further, embedding sustainable practices throughout the entire filmmaking process. Every greenlight package will include a film's sustainability plan, ensuring that sustainability is built into the planning process, including in script development, production, which includes locations and set needs, and distribution, as well as on-screen behaviors. UFEG partnered with the **Natural Resources Defense Council** and its **Rewrite the Future** program to inform the studio's strategy around climate storytelling and ensure its efforts are driven by science.

NETFLIX

Netflix has set out to decarbonize its film and television productions, which are the significant source of its emissions. In the past year, over 50% of the productions Netflix manages incorporated clean mobile power solutions, including grid tie-ins, mobile batteries, battery-hybrid generators, and hydrogen power units, resulting in fuel reductions; this included deploying over 100 pieces of clean mobile power equipment and battery-hybrid generators deployed for the first time.

Netflix's commitment to sustainability extends beyond efforts behind the camera. Through a partnership with General Motors, electric vehicles, such as the Chevrolet Bolt, will be seen in select Netflix shows and films, including *Love is Blind*, *Queer Eye*, and *Unstable*, to help amplify the excitement and benefits of an

all-electric future. Netflix supports creators who choose to incorporate sustainability into their storytelling. One hundred sixty-five million households worldwide — over 70% of members — have chosen to watch one or more stories highlighting climate and/or sustainability. Here's an example of sustainability both on and off the screen:



Family Switch, a comedy starring Jennifer Garner, is set to be released in fall 2023. The production was filmed in and around Los Angeles and implemented an array of electric vehicles and clean, silent power solutions. Electric vehicles were employed daily including three EV passenger vans, one EV cargo van for catering, a Ford 150 EV pickup to tow the director's trailer, and one EV SUV for the covid team. In addition, an electric car was featured as the family vehicle. The production reduced generator usage by using batteries and accessing the electric grid at some locations. These production sustainability efforts, including the use of renewable diesel, collectively saved 1,455 gallons of fuel and 113 MTCO₂e.

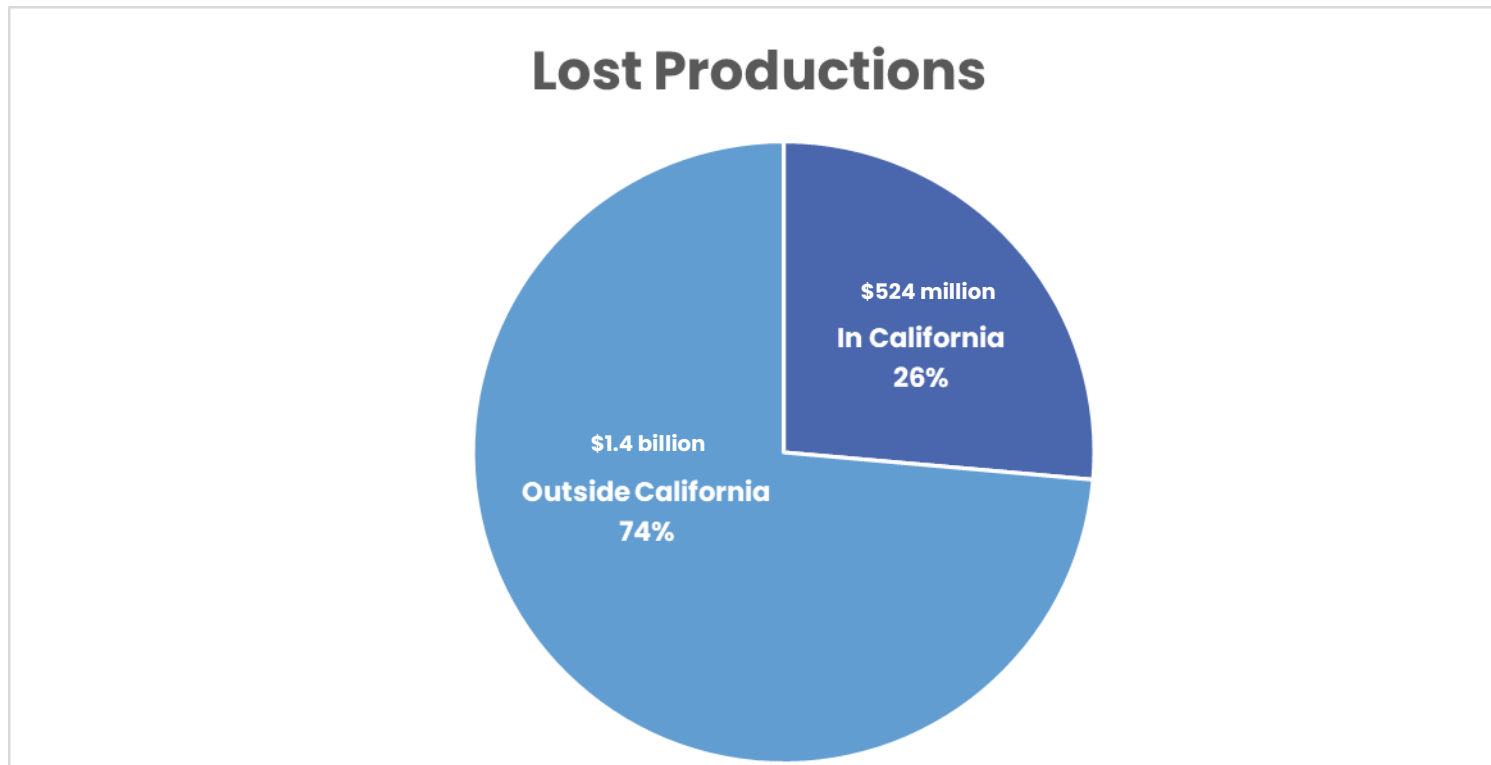
The CFC encourages all its productions and the entertainment industry to adopt climate solutions throughout the production process. Under the "Production" tab, the CFC website contains a sustainability section, including links to the Green Production Guide and other resources.

LOST PRODUCTIONS

The CFC extensively researched and tracked those projects that applied for tax credits from 2020 to 2023 but were ultimately denied due to lack of available funds, and subsequently produced. Findings support the impact tax credits have on retaining and attracting in-state film and television production. Data shows that the state lost 74% of production spending by those projects that applied for but did not receive a California tax credit; 39 out of 66 projects that did not receive a tax credits, left California to be produced out-of-state. These runaway projects accounted for \$1.46 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.

So, where did these productions end up being filmed? With the \$1.46 billion lost globally, productions that did not receive tax credits left California to generate expenditures in the following jurisdictions:

- New York \$326 million
- Georgia \$335 million
- New Mexico \$56 million
- Louisiana \$115 million
- Other U.S. Jurisdictions \$270 million
- Canada \$124 million
- England, Italy, Ireland, Mexico, Spain, Germany, Lebanon \$236 million



GLOBAL COMPETITION

Today's business model for film and television production continues to rely heavily on tax incentives to manage production costs. All the films and television projects are produced without receiving tax credits, the availability of incentives is a key deciding factor where projects will be filmed. Financing for projects by independent production companies incorporates the monetization of tax credits – sale of tax credits to third parties – as a key part of the financing structure. Non-independent productions heavily factor in tax incentives when considering production locations, creating multiple budget comparisons to calculate net costs and savings realized from tax credits. In this current climate, space and financial savings play significant factors in television and film production. Regional and global jurisdictions continue to maintain competitiveness by offering 1.) robust tax credits, 2.) specific incentives for visual effects, and 3.) growing infrastructure; this section outlines these three key factors in global competition and filmmaking as California's top competitors' commitment to become the premiere filming location continues to grow.

COMPETING FACTOR: TAX CREDITS

Various jurisdictions globally and within the United States offer financial incentives to lure jobs and spending away from California. Once incentives take root in other states and countries, those locales, in turn, construct or renovate long-term infrastructure with stage construction, post-production facilities, and job training programs. See section below regarding growing infrastructure outside of California. For example, incentive-rich jurisdictions such as New York, Louisiana, Massachusetts, Georgia, Toronto, and Hungary have built impressive multi-studio facilities over the past few years.

Production companies may relocate above-the-line creative teams – producers, actors, directors, writers – to another locale for the duration of the production. Meanwhile, rather than allocating money on travel and housing, it is more cost-effective to hire local below-the-line (BTL) crew members, such as drivers, propmakers, make-up artists, camera technicians, and electricians. The local crew members then gain hours and become skilled in particular crafts, therefore adding to the pool of experienced BTL positions in non-California jurisdictions.

Although California receives a slight differential in taxes owed based on the tax rate in-state versus out of state, the cast and crew members who work out-of-state pay income tax in that specific filming jurisdiction. Furthermore, skilled California crew members end up training the local workforce. This process helps create a growing pool of skilled local crews across the country and around the world. Some film industry workers who cannot find work in California have relocated their families to incentive states, resulting in lost tax revenue and a steadily decreasing pool of skilled labor.

Despite the success of California's film and television tax credit programs, the state lost production as competing states that offer incentives achieve dramatic growth in production spending.

The payroll service company [Entertainment Partners](#) provides a comprehensive list of film and television tax credits available in the United States, as featured on the next page, and around the world. With robust tax credits, many jurisdictions have seen an increase in economic growth with a rising skilled workforce.

COMPETING FACTOR: VISUAL EFFECTS AND VIRTUAL PRODUCTION

As stated from previous report, the Los Angeles Economic Development Corporation report illustrated the efficacy of film tax incentives in California. However, it also mentions that California is the only major production center that lacks stand-alone visual effects (VFX) credit. The majority of VFX work is performed outside of California, assigned to companies in countries and provinces with a 30–40% rebate on visual effects work without the requirement of filming the same project in that jurisdiction. VFX artists, technicians, programmers, coordinators, producers, supervisors, match-movers, composers, effects artists, and hundreds of other types of VFX workers living outside of California are being paid for visual effects work from studios and companies based in California. The tax credit programs' 25% tax credit is not competitive enough for some company's financial goals; therefore, many California-approved tax credit projects decide to get VFX work done at other locales which provide a stand-alone VFX tax credit.

With the addition of virtual production, the filmmaking process' complex visual effects work has increased. Companies which perform this VFX technology are finding it difficult to continue to operate in California without the kinds of incentives available elsewhere. They have invested heavily in highly trained technicians and want to remain in the Golden State. However, seeking ways to lower costs means going elsewhere to chase incentives. As a result, many CA VFX companies have created offshore subsidiaries and are training workforces to work on projects in jurisdictions with stand-alone incentive programs.

The State's Loss

Programs 3.0 and 2.0 were designed with provisions to incentivize more visual effects work to stay in California by providing an additional 5% tax credit for projects that spend at least \$10 million on visual effects work in-state or spend 75% of their total visual effects budget in California. Applicants also increase their jobs ratio with bonus points based on their total visual effects spending in California. However, actual data shows that certified projects continue to do visual effects work outside of CA.

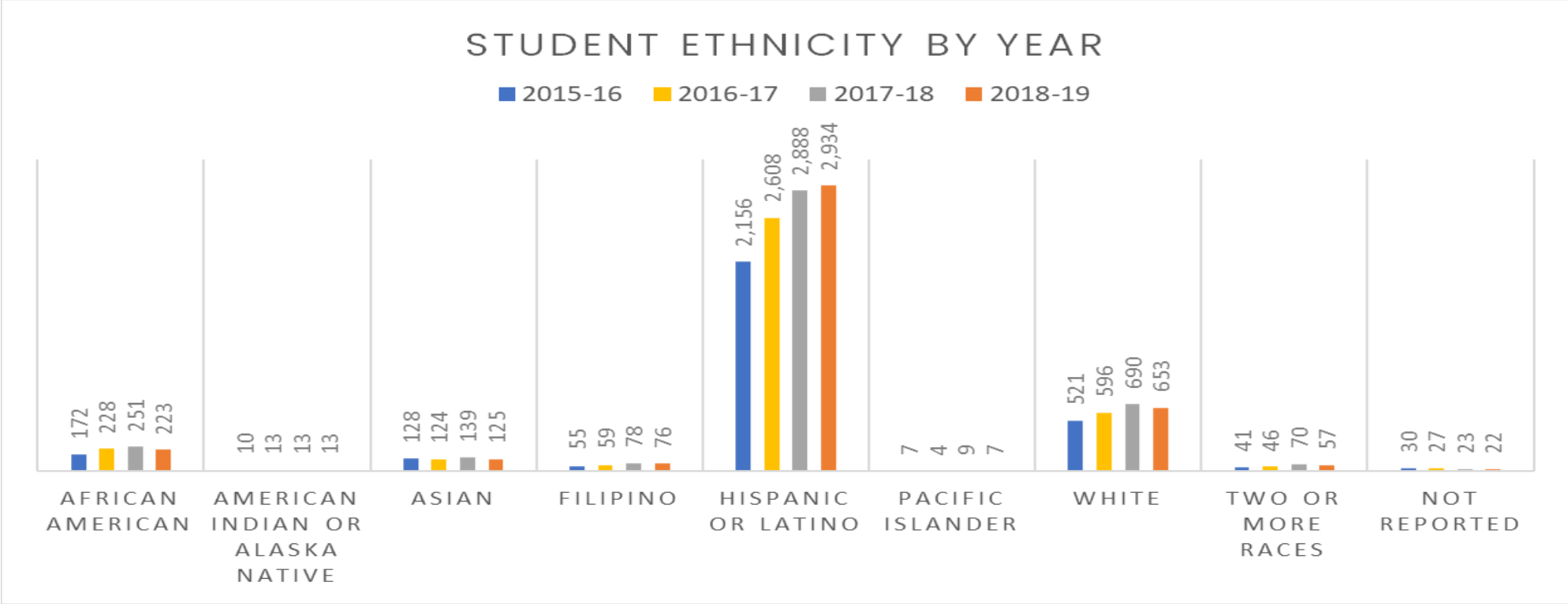
	Total CA VFX Spend	Total Worldwide VFX Spend	% of VFX Done Outside of CA
3.0	\$44,594,000	\$79,392,00	56%
2.0	\$376,805,000	\$681,160,000	55%

California's Investment in VFX Workforce Development and Diversity

Looking at California Department of Education (CDE) data on ethnicity and Career and Technical Education (CTE) arts, media, and entertainment class enrollment in thirteen Southern California Title I high schools that are receiving Workforce Training Grants, over 15,000 students have enrolled in these classes. Title I is a program that helps disadvantaged students meet the state academic content and performance standards. The Workforce Training Grants are union-sponsored pre-apprenticeship programs providing between \$10,500 and \$62,000 grants to these Title I schools. The classes cover film industry and arts areas such as animation, stage technology, choreography, game design, graphic design, theater, sound and music, media arts, visual art, and production.

Using the data available from the CDE's Dataquest online data reporting service, the ethnic breakdown by percent and CTE class enrollment numbers show that of the over 15,000 enrolled students nearly 70% are Hispanic or Latino which represents over 11,000 students. The next largest ethnicity is White at 16%, African American at 5.9%, Asian at 3.5%, Filipino at 1.8%, students identifying as two or more races at 1.3%, and Native American and Pacific Islanders at .5% combined. The latest data obtained by the CDE is from the 2018-2019 school year and school year enrollment in these CTE classes has increased from just over 3100 in 2015-2016 students to just over 4100 students in 2018-2019.

CTE Arts, Media, and Entertainment in Southern California Title I Schools Receiving Workforce Training Grants



Technology Trends

The [Otis College Report on the Creative Economy](#) analyzed the state of the creative economy; particularly, recommending incentives that evolve with recent technology trends. The Otis report asserts: “ The aggressive push to incubate and support evolving forms of digital creativity outside the state should alarm California’s policymakers given the highly mobile nature of creative work.”

TABLE 2.3: GLOBAL VIRTUAL PRODUCTION STAGE ACTIVITY

(A) COUNTRY

	TOTAL	TIER 1	TIER 2	TIER 3
US	84	9	11	64
UK	40	12	6	22
Japan	16	1	3	12
Germany	14	2	4	8
Australia	11	1	4	8
Canada	10	3	2	5
South Korea	10	0	1	9
All Others	71	20	7	44
Total	256	48	38	172

(B) CITY

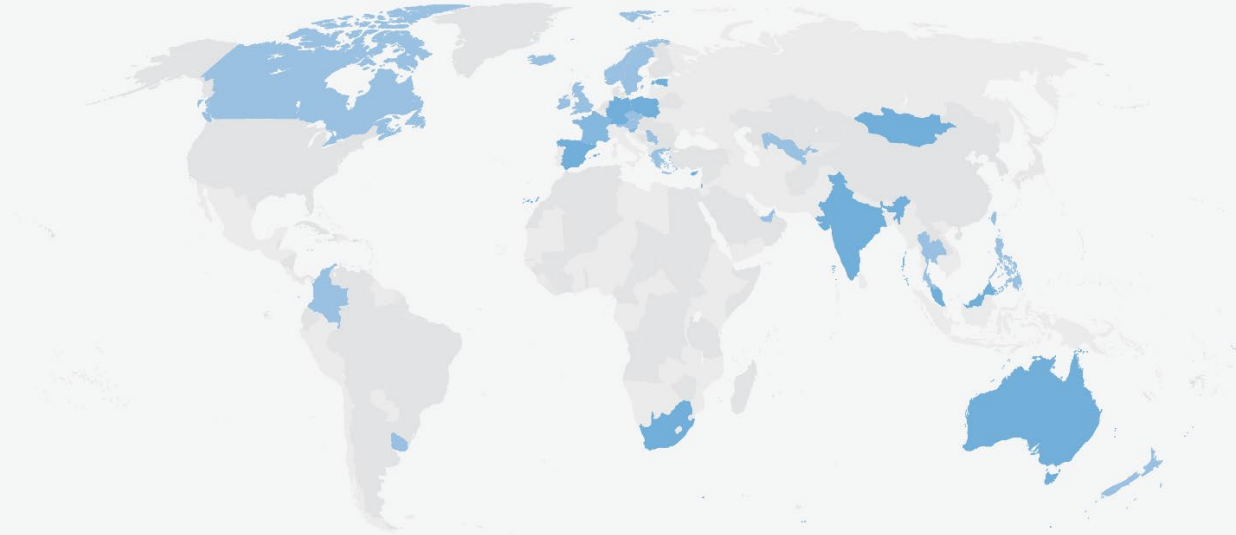
	TOTAL	TIER 1	TIER 2	TIER 3
London	27	10	5	12
Los Angeles	21	4	4	13
Tokyo	16	1	3	12
Atlanta	12	0	1	11
Vancouver	5	2	0	3

Note: The stage tier distinction revolves around time syncing and setup capabilities. Each level supports different segments of industries engaging with virtual production. Technical complexity increases as the tiers increase: Tier 1 for smaller independent productions, Tier 2 considered standard greenscreen, and Tier 3 includes a fully synced LED volume.

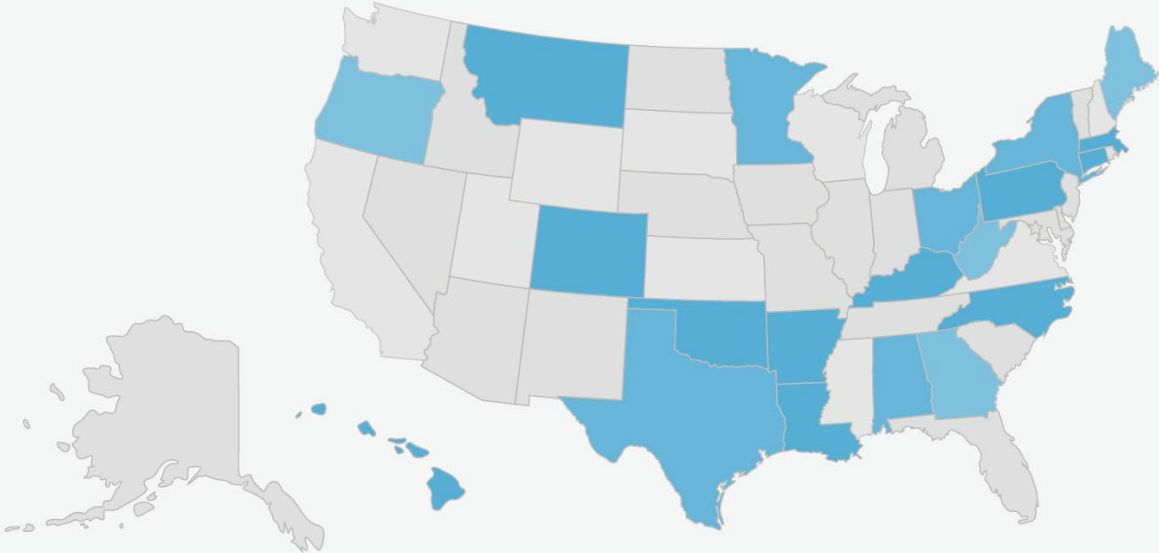
The data above indicates that California is losing market share, which means jobs and economic growth – in the only sector of the motion picture business that is growing – visual effects and virtual production. Unless incentives are adopted to encourage companies to develop and perform VFX and Virtual Production in the state, this highly paid, technical work will continue to leave for greener pastures. Given that intellectual property – particularly in VFX, animation and gaming – can be a huge economic driver, California continues to allow this sector of the business to dwindle.

FIGURE 3.2: VISUAL EFFECTS AND POST-PRODUCTION INCENTIVES

(A) BY COUNTRY



(B) BY STATE



Note: Maps depict geographies with a standalone incentive for visual effects work. This data is presented for informational purposes only. Although every effort has been made to reflect current conditions, laws, and incentives in a given jurisdiction, they may have been revised since this report was published.

Source: Entertainment Partners (EP); CVL Economics

COMPETING FACTOR: INFRASTRUCTURE

According to the latest data provided by FilmLA from 2021, Los Angeles and Canada (split between Ontario's 3.8 million and British Columbia's 2.4 million) lead the world in dedicated sound stage space with 6.2 million square feet each followed by the United Kingdom with 5.4 million, Georgia with 3 million, and New York with 2.8 million.

With Los Angeles soundstages operating at an average of 93% capacity according to FilmLA, the necessity for productions to film in other locations has increased the need for more soundstage infrastructure worldwide. Los Angeles County has an estimated 3 million square feet of planned and proposed soundstages. Within the next 3 years Georgia, New York, Canada, and the UK each have hundreds of thousands of square feet of soundstage space being constructed. Other jurisdictions are also planning large film studio projects including Arizona, Illinois, Kentucky, Louisiana, Mississippi, New Jersey, New Mexico, North Carolina, South Carolina, and Texas. Internationally there are plans for even more large film studio projects in Australia, Hungary, Ireland, Malta, New Zealand, and Saudi Arabia.

Infrastructure Growth Largest Capacity Territories

Georgia

- The 312,000-square-foot production campus says it's the world's first ground-up LEED (Leadership in Energy and Environmental Design) gold-certified facility, making it "the greenest studio on earth." [Variety](#)
- The company will become the anchor tenant in a \$200 million film studio complex in Atlanta set over 40 acres of land and scheduled to open later this year, Lionsgate said April 4. [The Hollywood Reporter](#)

New York

- Work continues on the Niagara Street Studio complex at 1155 Niagara Street. Great Point Capital management is developing the multi-phased project that was announced in 2020. [Buffalo Rising](#)
- A 330,000-square-foot film studio designed by Bjarke Ingels is planned for the waterfront in Red Hook, Brooklyn. [Commercial Observer](#)
- Great Point Media of London is building one 20,000-square-foot main soundstage and two 5,000-square-foot soundstages, both expected to open by September 2023. [The Business Journals](#)
- As the new year began, efforts were accelerating to make the southwestern section of Westchester a movie and TV studio megaplex. Recent activity included the sale of the property where a new studio campus is planned in Yonkers and a series of meetings on a proposed \$100 million studio campus in Hastings-on-Hudson, the village, which is

located just north of Yonkers along the Hudson River. [Westchester & Fairfield County Business Journals](#)

Canada

- The long-awaited Basin Media Studios is one step closer to fruition, with developers officially filing plans to bring the 636K-sq.-ft film and TV studio to the Toronto waterfront. [Storeys](#)
- Volume Global and Julijette Inc. have announced the development of Jette Studios, a state-of-the-art, full-service film and television studio village in Niverville that leverages the latest technology and includes 18,581 square feet of studio space. [SteinbachOnline.com](#)
- Maximum Effort, the production and advertising company the "Deadpool" star co-founded and leads with George Dewey, is part of an ownership group for a new 1.2 million-square-foot studio being built in Markham, Ontario, Canada, just outside of Toronto. [Variety](#)
- Bridge Studios, a major studio for Hollywood film and TV shoots in Vancouver, plans to build another 42 soundstages over the next four years. [The Hollywood Reporter](#)

United Kingdom

- Construction has started on Digbeth Loc Studios, set up by Peaky Blinders creator Steven Knight. [BBC](#)
- Glencar has announced that it will undertake the Ealing Studios redevelopment, due to arrive in Summer 2024. [pbc today](#)

- Wycombe Film Studios, designed and operated by Stage Fifty, has been given full planning permission for its eight-stage complex. Stage one is already fully operational and ready for production, with the remaining seven stages and studio facilities expected to be completed in the next 18 months with almost 295,000 sq ft of high-quality production space. [Televisual](#)
- A £300m project to bring a Hollywood-style movie complex to Berkshire has reached the halfway point. Shinfield Studios in Reading is

Other Territories

Arizona

- The state's backers behind Desert Studios say they are planning to break ground this year on the first phase of a new full-service studio development project that will include 12 soundstages of 40,000 square feet each at a cost of roughly \$300 million. [The Hollywood Reporter](#)
- Acacia Filmed Entertainment is building a new film studio and production training facility in Arizona in response to a new bill that just passed promising to beef up the state's tax incentives for film and television productions starting in 2023. [MovieMaker](#)

Australia

- A fully-fledged, Hollywood-style film studio for Canberra is a step closer with the expansion of the multi-million-dollar Academy of Interactive Entertainment (AIE) campus on track to start Stage 1 early next year. [Riotact](#)
- Hollywood star Russell Crowe's vision for a film studio precinct in regional NSW is closer to becoming reality, with a target set to start work at the site early next year. [ABC News](#)

Hungary

- Four new studios and support facilities are under construction as part of the Hungarian National Film Institute's largest ever publicly funded studio development in Fót. [Budapest Reporter](#)

Illinois

- Mayor Lori E. Lightfoot joined City, community, and business leaders attend the groundbreaking ceremony for Regal Mile Studios Campus 1, a 380,000 square foot, seven-acre enclosed media campus and sound stage development in the heart of Chicago's South Side. [Reel Chicago](#)
- Knickpoint Ventures today welcomed civic, community and business leaders to the topping-off ceremony at The Fields Studios, Chicago's first purpose-built film studio that is expected to be completed in the first quarter of 2024. It boasts nine sound stages on

expected to be fully operational by the end of 2023, with big-budget productions already underway. When complete, the studios will include 18 world-class sound stages across more than one million square feet. The massive movie complex expects to generate around £600m a year for the UK economy and bring more than 3,000 jobs to the local area. [itv News](#)

two lots totaling 132,000 square feet of sound stages and over 350,000 square feet of creative and production offices, plus mill and support space. [Business Wire](#)

Ireland

- Greystones Media Campus, due to open in 2024, received planning permission last year for 670,000 square feet of studio space on 44 acres in Killincarrig. [Independent.ie](#)

Kentucky

- Following last year's reinstatement of Kentucky's 30-35% tax credit, Louisville Mayor Greg Fischer has announced approval and a letter of intent with River City Entertainment Group to develop the historic Louisville Gardens building into 40,000 square feet of studio space divided among four stages. [Variety](#)

Louisiana

- Construction will wrap at the end of September on a \$35-million renovation and expansion of Second Line Stages, a film and TV production facility in the heart of New Orleans, and those involved say effective communication and collaboration played an important role in the speed of this design-build project. [Engineering News-Record](#)
- Marcus & Millichap, a California-based commercial real estate brokerage firm, has announced an exclusive representation agreement with Deep South Studios LLC to secure joint venture equity in connection with the development of Deep South Studios Phase I. The project is a 262,560-gross-square-foot, full-service motion picture and television production facility in New Orleans. [Biz New Orleans](#)

Malta

- The new studio space will be built on 4,000 square meters at the Malta Film Studios at Kalkara, adjacent to its exterior deep-water tank. [Deadline](#)

Mississippi

- Schnitzer, along with local landowner and investor Charlotte Reeves want to create Mill Street Studios, a motion picture, and media production facility, providing two 6,000 square foot studios, two jumbo 17,000 square foot sound stages, a 20-acre movie ranch, production offices and related support services. [Clarion Ledger](#)

New Jersey

- According to Netflix and the state, the Fort Monmouth facility will create more than 1,500 “permanent production jobs” and more than 3,500 construction-related jobs. Netflix will commit \$848 million in capital investments to develop the nearly 300-acre parcel into 12 soundstages as well as space for production offices and related support facilities. [Variety](#)

New Mexico

- New Mexico Film Office qualifies eight new production facilities. [KFTV](#)

New Zealand

- The \$40 million Parkhill Studio would be in Te Awanga, near an iconic Hawke’s Bay view of vineyards, rolling hills, farmland, and beaches, and close to one of the region’s landmarks - Te-Kauwae-a-Māui (Cape Kidnappers). [RNZ](#)
- As New Zealand’s screen sector roars back to business as usual, Auckland-based production facility Studio West is unveiling what will be the city’s largest purpose-built sound stage. [The Hollywood Reporter](#)

North Carolina

- Once completed, the complex will be 170,000 square feet and be spread over six production stages and 200 acres of land. [ABC 11](#)

Saudi Arabia

- Film AlUla, the film agency of the Royal Commission for AlUla (RCU), has begun construction of a studio complex to kick-start the next phase in north-west Arabia’s emergence as a regional hub for the screen sector. [campaign Middle East](#)

South Carolina

- Complete renovations which include complete demolition from floors to roofs of buildings out of 20,000 square feet of space will become the Dalton Pictures Studio facilities. [ABC 15](#)

Texas

- The owners of the Bastrop 552 Project, touted as a 546-acre film studio, are hoping to start work by the end of the year. An Austin Business Journal report says the project, which could eventually have 486,000 square feet of studio space, 300,000 square feet of warehouse/mill space and 200,000 square feet of office space, is acquiring local permits that might allow it to break ground on the first phase by Q4 2023. [connectcre](#)
- Central Texas will become home to three new studios this year, signaling the city’s growing popularity among filmmakers. Austin’s sunny weather and creative scene are part of what makes the region a desirable location for moviemaking, but the Capital City also already has a strong film culture. [ATX Today](#)
- Mansfield, a suburb within the Dallas-Fort Worth area, will break ground this year on a 72-acre film studio called Super Studios that will serve as a new site for big-budget movies and shows filming in the Lone Star State. [Chron](#)
- Breaking ground in San Marcos this spring—and slated to officially debut in the second quarter of 2024—the new \$267 million, 75-acre development co-founded by industry veterans Cory McCloud and Zach Price will feature 12 sound stages, including a highly anticipated virtual production stage that uses interactive video game engines to create virtual real-time sets. The sprawling campus will include 310,000 square feet of studio sound stages and 15 acres of outdoor production space, as well as dedicated workspaces for construction crews, wardrobe departments, and more. [Austin Monthly](#)

SB 132 Summary of Modifications

On July 10, 2023, Senate Bill (SB) 132 (Ch. 56, Stat. 2023) was signed, enacting amendments to §17053.98 and §23698 of the Revenue and Taxation Code (RTC), which govern the California Film and Television Tax Credit Program 3.0 (Program 3.0) and the California Soundstage Filming Tax Credit Program (Soundstage Program), as well as establishing the California Film and Television Tax Credit Program 4.0 (Program 4.0) for the years 2025 through 2030 (RTC §17053.98.1 and §23698.1) and the related Safety on Productions Pilot Program (Labor Code §9150 et. seq.). This document provides a summary of changes to current programs as well as a brief account of program requirements that will apply to future Program 4.0. It is meant to be a helpful tool and does not take the place of reviewing and adhering to statute and regulations.

Program 3.0 Modifications

- Language requiring certain application information related to company and financial details in RTC § 17053.98(g)(2)(A)(vi), (vii), § 23698(g)(2)(A)(vi), and (vii) has been repealed.
- Terms and requirements for qualified motion picture projects qualifying for tax credit allocation under Program 3.0 by filming on a certified or once certified soundstage have been clarified, including that the 133% jobs ratio advantage applies to all eligible project categories.

Soundstage Filming Program Modifications

Changes detailed above also apply to Soundstage. In addition, the following changes have been made:

- Studio Construction Project certification period extended from three to five years.
- The Soundstage Wage requirement modified from \$7.5M to \$5M during the production period.
- Stage shooting day requirement corrected to apply within the production period.

- Soundstage Program allocation cap sum modified to the greater of \$12 million or \$750,000 per episode of a season of a television series, as applicable.
- “Disability status” has been added to the factors that must be considered in diversity workplans.
- Terms and requirements for projects filming on a certified or once certified soundstage but not receiving an allocation under the Soundstage Program are clarified; recurring TV series receive an allocation for the life of the series, other eligible qualified motion pictures may utilize a jobs ratio advantage.

Program 4.0 Summary

Program timeframe: Credits will be allocated between 07/01/2025 and 06/30/2030.

Program funding: \$330 million per fiscal year, category allocation same as in Program 3.0.

Basic eligibility requirements:

- Minimum budget or principal photography percentage, principal photography and completion timelines, and U.S. copyright requirements remain unchanged from previous programs.
- A project must submit a diversity workplan checklist (new).
- A project that opts to fulfill diversity requirements (new) must submit a diversity workplan, an interim assessment, and a final assessment. Projects opting out receive 96% of their CAL amount. Diversity requirements other than the checklist do not apply to indies under \$10M.
- Approved projects must participate in the Safety in Motion Picture Production Pilot Program, which includes having a production safety advisor and submission of a final safety evaluation to the CFC within 60 days of the end of filming activities (new).
- Career Pathways contribution for non-independents increases to 0.5% initially (modified).

Additional requirements for projects qualifying by filming on certified soundstages (modified): Eligible qualified motion picture projects that film on certified or once certified soundstages but are ineligible for allocation under the Soundstage Program because there are no more tax credits to allocate under that program or because the period of certification of the soundstage has expired can apply to Program 4.0 with a 133% jobs ratio

advantage. A project utilizing this function must fulfill all general Program 4.0 requirements (including diversity and safety in productions); incur at least 75% of production costs for picture editing and postproduction sound labor and services in California; and continue to fulfill Soundstage Program wage, stage shooting days, and ownership or lease requirements.



Program 4.0 Refundability

On July 10, 2023, Governor Newsom signed Senate Bill (SB) 132, which governs the California Film and Television Tax Credit Program 3.0, Soundstage Filming Tax Credit Program, as well as establishing the California Film and Television Tax Credit Program 4.0 for the years 2025 through 2030. This document provides a summary of the new refundability provision and examples on how to utilize tax credits for projects approved on or after July 1, 2025. Published as a helpful guide, this document is for reference only; tax credit applicants are encouraged to consult with their own legal and tax professionals. Sign-up to receive California Film Commission [production alerts](#) to keep abreast of the Program 4.0 regulatory process.

SUMMARY

Program 4.0 participants, both independents and non-independents, with insufficient tax liability to make use of the certified tax credits awarded under the Program may make a one-time election to utilize the refundability option established in the Program. The election to utilize the refundability option must be made in the first taxable year in which the tax credit certificate is issued to the applicant. Refundability is not an option for an applicant allocated credits under any previous iteration of the Program, such as Program 2.0 or Program 3.0, or under the Soundstage Filming Program.

If the taxpayer does not make the one-time irrevocable election to potentially get a refund, then the film tax credit will be administered similarly to prior versions of the program. The taxpayer will be able to use the credit against tax liability and to carry the credit forward in the following nine years following the first year.

Once the election has been held, tax credits will be refunded over five years (refundable period), including the year of election. The total amount of tax credits an applicant may elect to make refundable is 90% of the certified tax credit amount that exceeds the applicants tax liability in the first taxable year. The permitted maximum annual amount is 20% of the total refundable amount which effectively results in a maximum annual amount of 18% of the certified tax credit amount that exceeds the applicants tax liability in the first taxable year.

Tax credits must be applied to any tax liability, annually, and only the excess is subject to refundability. If an applicant elects to utilize the refundability option, no amount of tax credits will be allowed after the maximum refundable period of five years, meaning the applicant cannot elect to hold on to tax credits for use against future liability.

The election to utilize the refundability option is irreversible and must be made on the entity's tax return filed with the California Franchise Tax Board (FTB) in accordance with FTB requirements.

The refundability is not transferable, meaning if an independent production elects to sell its tax credits, the entity that purchases the tax credits may not elect refundability.

If electing refundability, the taxpayer receives the 18-percent maximum refund amount in the first taxable year that the credit certificate is issued. In years 2 through 5:

- a. The 18-percent credit amount will first be applied against tax liability, if any, and any remaining amount will be refunded to the taxpayer.
- b. Regardless of how much liability a taxpayer has, the taxpayer is limited to only offsetting up to the 18-percent credit amount.
- c. If liability exceeds the 18-percent credit amount, then the entire 18-percent credit amount is applied against liability and the taxpayer owes any remaining tax liability amount.

REFUNDABILITY EXAMPLES

Example #1

- A project has an allocation of \$11 million in tax credits certified in year 1. The project entity's tax liability in year 1 is \$1 million; \$10 million in tax credits remain. The project elects to apply the refundability option to their project; the total refundable amount is \$9 million (90% of credits remaining after tax liability has been applied in year 1). The project receives an annual refundable amount of \$1,800,000 (20% of the total refundable amount of \$9 million) in year 1.

- In year 2, the annual refundable amount (\$1,800,000) is first applied against the project entity's tax liability, which for year 2 is \$750,000. The remaining \$1,050,000 is refunded to the applicant.
- In year 3, the annual refundable amount (\$1,800,000) is first applied against the project entity's tax liability, which for year 3 is \$2 million. The entity receives no refund and has a remaining tax liability of \$200,000.
- In year 4, the annual refundable amount (\$1,800,000) is first applied against the project entity's tax liability, which for year 4 is \$500,000. The remaining \$1,300,000 is refunded to the applicant.
- In year 5, the annual refundable amount (\$1,800,000) is first applied against the project entity's tax liability, which for year 5 is zero. \$1.8 million is refunded to the applicant.
- The applicant received a credit allocation of \$11 million, of which \$4,050,000 was applied against tax liability and \$5,950,000 was refunded, for a total of \$10 million; the cost of electing refundability is 10%.
- If the same entity had zero California tax liability in any taxable year following certification of credits, their total refundable amount would

be \$9.9 million (90% of the \$11 million), and the annual refundable amount would be \$1,980,000 for five years (20% of the \$9.9 million, annually).

Example #2:

- Certified Program 4.0 credit amount = \$100
- Liability after using all other credits:
- Year 1 = \$50, Year 2 = \$20, Year 3 = \$0, Year 4 = \$100, Year 5 = \$5
- Credit usage and refund schedule:
 - **Year 1:** Offset \$50 liability and taxpayer receives 18 percent of remaining credit amount, or \$9, as a refund.
 - **Year 2:** Offset \$9 against liability and taxpayer owes the remaining \$11 in tax liability.
 - **Year 3:** Receive \$9 as a refund.
 - **Year 4:** Offset \$9 against liability and taxpayer owes the remaining \$91 in tax liability.
 - **Year 5:** Offset \$5 against liability, taxpayer receives \$4 as a refund.



CONCLUSION

The motion picture industry is going through a major shift, fostered by the pandemic, labor strikes, studio mergers, and new ways of delivering content. California's film and television tax incentive program ("Program"), working to retain our signature industry, and training the next generation, continues to face intense global competition for the jobs, dollars, and cache that this industry brings to the state.

Despite that fact that the tax incentive program in California is probably the most complicated in the world, has a capped amount of credits, and offers little in the way of acceptance certainty, California's built-in infrastructure, locations, and talent – both above and below the line – continue to make it a premier filming location. Without an above – the –line credit, the Program has difficulty competing with jurisdictions that incentivize these positions, particularly on projects with high priced talent. However, due to the industry's built-in advantages, the demand continues to outstrip the supply of tax credits.

To encourage the infrastructure needed for this major industry, the Soundstage Filming Program was enacted. Although it does not provide financial assistance for stage construction, its guarantee of tax credits to projects filming on those stages should ensure that certified stages will be busy. Based on the inquiries received, it appears that this program will bring online several new soundstages at a time when California is competing with the multiple jurisdictions that also are adding more stage square footage.

Along with providing funding and support for California's arts, media, and entertainment public school educational offerings, the Program, through its Career Readiness and Career Pathways, is providing exposure and training for a diversity of individuals who seek to work in this industry. The Career Pathways program is specifically targeted to seek out individuals from underserved communities and provide the support and instruction needed to have a successful career in the entertainment industry; many graduates are working and thriving in the jobs that they were trained to do. Unfortunately, both Covid-19 and the recent labor disruptions have hampered many recent graduates from finding employment.

Students in the California educational system and many already in the field are learning digital filmmaking skills to fill the ever-growing demand for technicians and artists in the areas of visual effects, animation, gaming, and virtual production. Even though targeted incentives exist around the world that are shrinking California's market share in these specialties, California has yet to provide robust incentives to retain this business. As this report has shared, many projects within the Program who receive a 25% tax incentive to hire VFX artists/companies in the state wind up sending 50% of the work out of state to get a 30 or 40% rebate.

Productions in the Program need incentives to be able to afford the high price tags of EV vehicles, battery-powered generators, and solar trailers. To help the state reach its climate goals, this is an area in which investing would be of benefit for our productions and the climate. Incentivizing climate storytelling, including climate-friendly actions, has been documented to increase awareness and emotional engagement and change behaviors. Encouraging people to seek solutions and live more sustainably is a worthy goal, both for the state and the planet.

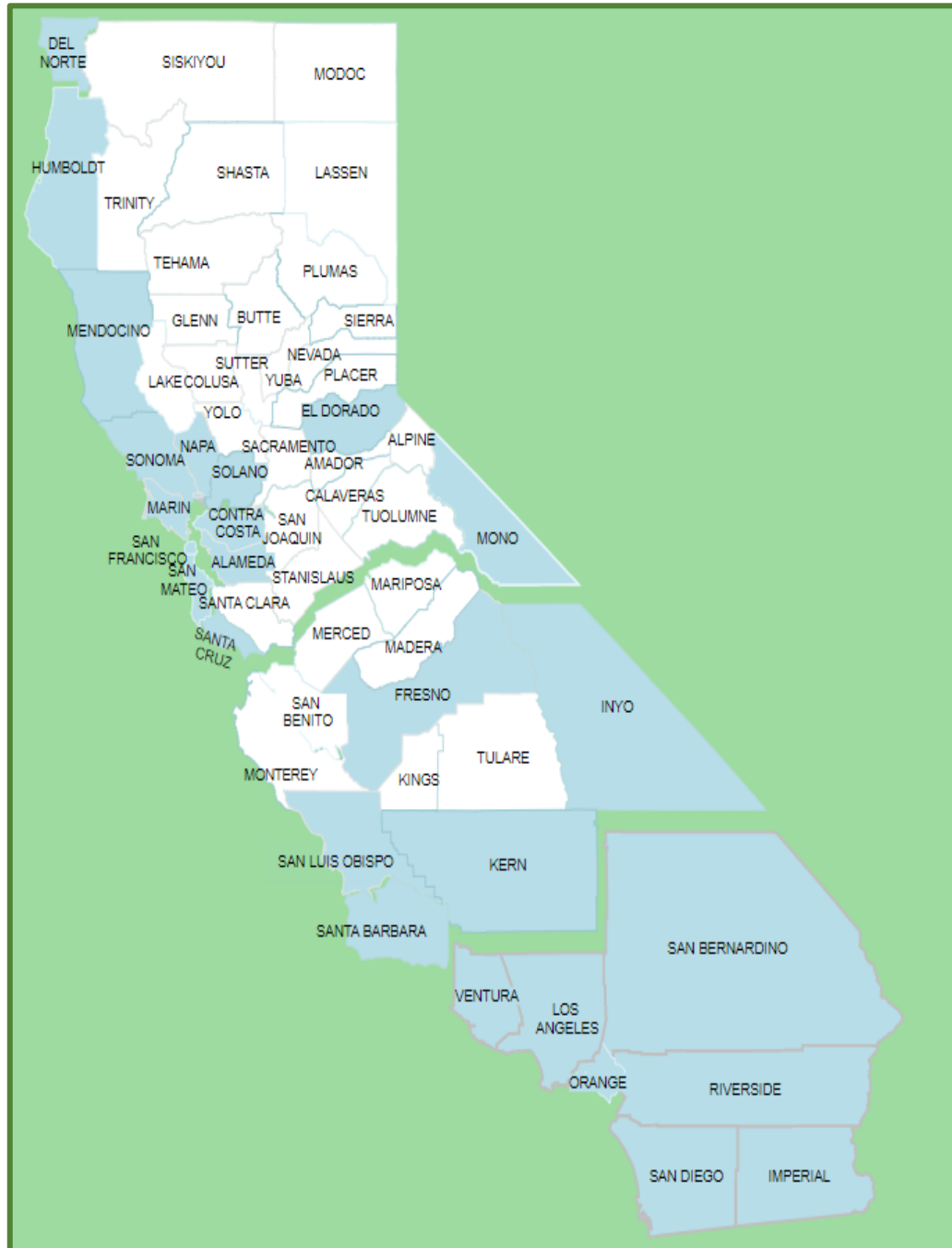




APPENDIX A | Enacting Legislation

- SB 144 (Portantino). Taxes: credits: qualified motion pictures: certified studio construction projects: reports. The Personal Income Tax Law and the Corporation Tax Law allow various credits against the taxes imposed by those laws, including a motion picture credit for taxable years beginning on or after January 1, 2020, to be allocated by the California Film Commission on or after July 1, 2020, and before July 1, 2025, in an amount equal to 20% or 25% of qualified expenditures for the production of a qualified motion picture in this state, with additional credit amounts allowed, including for amounts equal to specified qualified expenditures and qualified wages relating to original photography outside the Los Angeles zone, as specified.
- SB 878 (Senate Committee on the Budget and Fiscal Review), Existing law allows credits under the Personal Income Tax Law and the Corporation Tax Law for taxable years beginning on or after or after January 1, 2016, to be allocated by the California Film Commission on or after July 1, 2015, and before July 1, 2020.
- 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 2.0 Regional Filming Spend Summary



- 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, Centurion the Dancing Stallion*
- 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*
- SANTA BARBARA \$235,000 *Star Trek: Picard*
- KERN \$1,840,000 *Captain Marvel, Devil Has a Name, Ford v Ferrari, Top Gun: Maverick*
- VENTURA \$4,438,000 *Ballers, Ford v Ferrari, Magic Camp, Purge 5, Rim of the World, Rosewood, Scream Queens, The Babysitter 2, Unbroken, Vice, American Horror Story, King Richard*
- ORANGE \$3,954,000 *Ad Astra, American Horror Story, Ballers, Chips, Ford v Ferrari, Lucifer, Magic Camp, Rosewood, Suburbicon, This is Us, King Richard*
- SAN BERNARDINO \$2,778,000 *Bumblebee, Ford v Ferrari, Purge 5, The Way Back, Us, Veep, Don't Worry Darling*
- RIVERSIDE \$632,000 *A Star is Born, Twin Peaks, Don't Worry Darling*
- SAN DIEGO \$11,853,000 *Animal Kingdom, Top Gun: Maverick, Pitch*
- IMPERIAL \$97,000 *Mayans MC*

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 and creative talent.

City of West Hollywood

- ❖ For cast and crew of 8 or less on all private property: City applications may be waived, with additional fees charged for low impact public property use for establishing shots or walk-ups (on Sunset and additional \$600, in a y other commercial area an additional \$400).
- ❖ For cast and crew of 9-15 on all private property: City application fee is \$625, which is half price.

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 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.
- ❖ Hemet – Waives film permit fees.

City of Sacramento

- ❖ Sacramento Film + Media will award six \$10,000 production grants and two \$5,000 post-production grants during fiscal year 2023 in two grant rounds.
- ❖ Grants will be for required services and permitting fees by City of Sacramento staff and/or departments.
- ❖ Reimbursement awards for qualified expenses that occur within the city. Reimbursement awards for post-production support.
- ❖ The Sacramento Film + Media Grant Program is open to productions filming at least 50% of the project in the Sacramento region with at least two locations in the City of Sacramento. The program is also open to productions where 75% of post-production is done locally.

City of San Francisco

- ❖ Fees paid to City Departments for the use or rental of City property, equipment, or employees including Port, MUNI, SFPD, SFFD, DPT, DPW, Treasure Island, Recreation and Parks, and all City buildings. All daily use fees paid to the San Francisco Film Commission
- ❖ All payroll taxes paid to the City and County of San Francisco.
- ❖ Vendor discounts from participating businesses in the Scene in San Francisco Vendor Discount Program.
- ❖ Post-production Sales Tax Relief, partial sales tax of 5.25%, for the purchase of teleproduction and post-production equipment to businesses primarily engaged in teleproduction and post-production.

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).

Shasta County

- ❖ Shasta County is dedicated to serving the film industry. Qualifying productions can receive up to \$25,000 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.

APPENDIX D | Sustainability Resources

Climate Spring

[How stories work – Climate Spring \(climate-spring.org\)](https://climate-spring.org)

Comcast: Environment [Environment | COMCAST](#)

Fast Company: From 'About a Boy' to 'Brooklyn Nine-Nine': inside the push to reuse film and TV sets

[From 'About a Boy' to 'Brooklyn Nine-Nine': inside the push to reuse film and TV sets | FAST COMPANY](#)

Good Energy: A Playbook for Screenwriting in the Age of Climate Change

[Research \(goodenergystories.com\)](https://goodenergystories.com)

Lights Camera Impact: 20 years of research on the Power of Entertainment to Support Narrative Change/USC Norman Lear Center/May 2023/

[NormanLearCenter-Narrative-Change-Research-Review.pdf \(amazonaws.com\)](#)

NBC Universal: Sustainability from Script to Screen

[Sustainability from Script to Screen | NBCUNIVERSAL MEDIA](#)

Research Report: 7 in 10 Americans Want Climate Friendly Behaviors in Film and TV RARE Entertainment Lab, On-line Report

[7 in 10 Americans Want Climate-Friendly Behaviors in Film and TV – Rare](#)

The Hollywood Reporter: Universal Filmed Entertainment Group Launches GreenerLight Sustainability Program

[Universal Filmed Entertainment Group Launches GreenerLight Sustainability Program | THE HOLLYWOOD REPORTER](#)

Universal Pictures: Sustainability Takes Flight in Jordan Peele's Nope

[Sustainability Takes Flight in Jordan Peele's Nope | NBCUNIVERSAL MEDIA, LLC](#)