

## **CALIFORNIA FILM COMMISSION**

### **California Film and Television Tax Credit Program 4.0**

Title 10, Chapter 7.75, Article 5, Section 5550, 5553.3, 5554.2, and From DEIA2

#### **NOTICE OF MODIFICATIONS TO THE TEXT OF PROPOSED REGULATIONS**

October 1, 2024

Pursuant to the requirements of Government Code section 11346.8(c), the California Film Commission (CFC) is hereby providing notice of changes made to proposed adoptions of sections 5550, 5553.3, and 5554.2 in Article 5 of Chapter 7.75 of Title 10 of the California Code of Regulations as well as Form DEIA2, incorporated by reference (see sections 5553.3 and 5554.2).

#### **Written Comment Period**

The CFC is providing a 15-day notice of modification. Written comments relating to the modifications will be accepted by the CFC up to and including October 16, 2024. Submit comments to:

Name: Hedvig Marx  
Address: California Film Commission, 7080 Hollywood Boulevard,  
Hollywood, CA 90028  
Email: [IncentiveProgram4@film.ca.gov](mailto:IncentiveProgram4@film.ca.gov)

All written comments received by October 16, 2024, will be reviewed and responded to by the CFC staff as part of the compilation of the rulemaking file.

Attached is the modified text. Changes to the text are indicated in the following manner: deletions are indicated by yellow text and strike-through, *example*, additions are indicated by underlined pink text, *example*. Notice is hereby given that the CFC proposes to amend the regulations described below after considering all comments, objections and recommendations regarding the proposed action.

For additional context, the entirety of the express terms originally noticed to the public between August 16 and September 30, 2024, is available on this link:

<https://cdn.film.ca.gov/wp-content/uploads/2024/08/Program4.0-NOPA-Reg-08.16.2024.pdf>

**PROPOSED ADDITIONS TO THE CALIFORNIA CODE OF REGULATIONS**

**Title 10**

**Chapter 7.75**

**CALIFORNIA FILM COMMISSION**

**Article 5.**

**California Film and Television Tax Credit Program 4.0**

§ 5550. Definitions.

- (a) (1) "Applicable period" refers to production outside the Los Angeles zone, but in the state of California, that commences with preproduction and ends when original photography concludes outside the Los Angeles zone. It includes the time necessary to strike a remote location and return to the Los Angeles zone.
- (2) "Applicant" is any person, corporation, partnership, limited partnership, limited liability company (LLC) or other entity that is principally engaged in the production of a "qualified motion picture" and that controls the film or television program during preproduction, production, and postproduction. The applicant is the qualified taxpayer that upon final approval will receive the tax credit certificate.
- (b) (Reserved)
- (c) (1) "California Film Commission" (CFC) is a state entity established and described in Government Code section 14998 et seq. that, among other functions, facilitates and promotes motion picture and television production in the State of California.
- (2) "California in-state vendor" is a vendor or supplier which has an office or other place of business in California and is registered or qualified with the California Secretary of State or is required to file a return with the California Franchise Tax Board under Parts 10 or 11 of the Revenue and Taxation Code.
- (3) "Cast member" means any contract player reflected as such on the production report and includes speaking roles, on-camera stunt players, pilots, puppeteers, and any dancers, singers, and musicians who are not on an extras voucher.
- (4) "Certified ancillary building" means an ancillary building that has been certified as part of a certified studio construction project by the CFC under the California Soundstage Filming Tax Credit Program Phase A, pursuant to sections 17053.98(k) and 23698(k) of the Revenue and Taxation Code and in accordance with the conditions specified in section 5532 and section 5538 of article 4 of this chapter.
- (5) "Certified soundstage" means a soundstage that has been certified by the CFC under the California Soundstage Filming Tax Credit Program Phase A, pursuant to sections 17053.98(k) and 23698(k) of the Revenue and Taxation Code and in accordance with the conditions specified in section 5532 and section 5538 of article 4 of this chapter.

- (6) “Credit Allocation Letter” (CAL) is the document issued by the California Film Commission reserving an amount of tax credits to an applicant having a qualified motion picture based on an estimate of qualified expenditures.
- (7) “Contracted services” means the hiring of a third party to work or perform services on behalf of the applicant including, but not limited to, visual effect shot costs, makeup prosthetic packages, sound mixing, and creation of postproduction delivery items.
- (d) (1) “Diversity, equity, inclusion, and accessibility” (DEIA) means a commitment to providing equitable access to opportunities for people with varying racial, ethnic, and gender identities, disabilities, sexual orientations, age, religions, and socioeconomic statuses in an environment that is reasonably accessible to all whereby all are welcomed and respected.
- (2) “Documentary” means a film or television project dealing with factual events, that are photographed in actual occurrence or depicted through techniques including, but not limited to partial reenactment, stock footage, stills, animation, or stop-motion.
- (e) (1) “Equity education” means, for purposes of the diversity, equity, inclusion, and accessibility provisions specified in sections 17053.98.1(g)(3)(D) and 23698.1(g)(3)(D) of the Revenue and Taxation Code, learning about the historical and contemporary experiences of underrepresented communities and people, and existing civil rights and discrimination laws, ~~laws protecting these communities and people~~, and setting ~~robust, impactful, and~~ achievable goals for ensuring diversity, equity, inclusion, and accessibility for everyone on production.
- (f) (1) “Feature film” means a production of a film with a minimum budget of one million dollars (\$1,000,000) that has a running time of at least seventy-five (75) minutes.
- (2) “Final safety evaluation report” means the mandatory report prepared in accordance with section 9152(h) of the Labor Code by the safety advisor as part of the Safety on Productions Pilot Program established pursuant to section 9152 of the Labor Code.
- (3) “Force Majeure” means an event or series of events, which are not under the control of the qualified taxpayer, including death, disability, disfigurement or breach by the motion picture director or principal cast member, an act of God, including, but not limited to, fire, flood, earthquake, storm, hurricane or other natural disaster, labor disruption, public health emergency, armed conflict, terrorist activities, or government sanction.
- (g) (1) “Good-faith effort” means, for purposes of the diversity, equity, inclusion, and accessibility provisions specified in sections 17053.98.1(g)(3)(D) and 23698.1(g)(3)(D) of the Revenue and Taxation Code, proactive, intentional, diligent, and impactful actions taken for purposes of broadening and maintaining access to motion picture industry jobs and ensuring toward diverse, equitable, inclusive, and accessible productions ~~whose that strive to have a~~ workforce which is broadly reflective of California’s population in terms of, but not limited to, race, ethnicity, gender, and disability status.
- (h) (1) “Hiatus” means a break or interruption in the continuity of work that may be implemented after at minimum one (1) day of principal photography, subject to the

requirements in section 5554(a)(2) of this article, for up to one hundred twenty (120) calendar days.

(A) Once principal photography has resumed, a project is not required to request another hiatus for a subsequent break or interruption.

(B) Implementing a hiatus does not impact the thirty (30) month timeframe for completion of the final element required pursuant to section 5555(c) of this article.

(i) (1) "Inclusive hiring" means, for purposes of the diversity, equity, inclusion, and accessibility provisions specified in sections 17053.98.1(g)(3)(D) and 23698.1(g)(3)(D) of the Revenue and Taxation Code, minimizing bias during the hiring process, valuing diverse perspectives, and implementing an equitable recruiting process.

(2) "Independent film" means a film with a running time of at least seventy-five (75) minutes with a minimum budget of one million dollars (\$1,000,000) which is produced by a company that is not publicly traded and a publicly traded company does not own, directly or indirectly, more than twenty-five percent (25%) of the producing company.

(3) "Industry capacity building" means, for purposes of the diversity, equity, inclusion, and accessibility provisions specified in sections 17053.98.1(g)(3)(D) and 23698.1(g)(3)(D) of the Revenue and Taxation Code, helping to increase an inclusive and qualified workforce and an inclusive and qualified vendor and supplier base in all areas that contribute to motion picture production in California.

(j) (1) "Jobs Ratio" means the amount of qualified wages paid to qualified individuals divided by the amount of tax credit as further described in Revenue and Taxation Code section 17053.98.1(b)(8) and 23698.1(b)(8) and section 5553.1 of this article.

(k) (Reserved)

(l) (1) "Limited series" shall be understood to have the same meaning as "miniseries," as defined in section 5550(m)(1) of this section, and the terms may be used interchangeably for purposes of the California Film and Television Tax Credit Program 4.0.

(2) "Local Hire Labor" refers to qualified individuals who reside in California, but outside the Los Angeles zone, and who are working outside the Los Angeles zone during the applicable period.

(3) "Logline" means a short summary of the content of a motion picture project.

(m) (1) "Miniseries" means a motion picture based on a single theme or storyline that is resolved within the piece. A miniseries consists of two or more episodes each longer than 40 minutes of running time, exclusive of commercials, with a minimum production budget of one million dollars (\$1,000,000) per episode.

(n) (1) "Non-proprietary document format" means a document format which the CFC can access and open without specialized software requiring purchase, without subscriptions, or other access keys.

- (o)
  - (1) "Office or other place of business" means real property with a physical address in California that is owned or leased by a vendor for the purpose of conducting business. For purposes of these regulations, conducting business includes maintaining a product inventory or otherwise creating, assembling, or offering for sale the product purchased or leased by a motion picture production company.
  - (2) "Once-certified soundstage" means a soundstage, as defined in section 5550(c)(5) of this article, which was originally part of a studio construction project certified pursuant to sections 17053.98(k) and 23698(k) of the Revenue and Taxation Code as part of the California Soundstage Filming Tax Credit Program, for which the active period of certification of five (5) years has expired.
  - (3) "Outside Los Angeles zone vendor" means a vendor or supplier in California which maintains an office or place of business outside the Los Angeles zone, and is registered or qualified with the California Secretary of State, or is required to file a return with the California Franchise Tax Board under Parts 10 or 11 of the Revenue and Taxation Code and employs one or more full-time employees, or is a sole proprietor working at the place of business outside the Los Angeles zone. Pass-through businesses do not qualify as an "Outside Los Angeles zone vendor."
- (p)
  - (1) "Pass-through business" means a company maintaining an office or other place of business in California that primarily fulfills orders from a production company for products or third-party services from sources other than its own inventories or employees.
  - (2) "Pick-up order" means a contractual obligation from a licensee-exhibitor that a pilot or television series has been ordered or renewed for the production of an initial episode or episodes to be delivered within a specific time frame.
  - (3) "Picture editing and postproduction sound labor and services" means labor and services related to the process of assembling and winnowing the filmed material into its final form, from the raw dailies of principal photography through inclusion of visual effects, optical effects and image color correction, to delivery of the final element of the completed motion picture project, and to the process of compiling, re-recording, and mixing all of the elements that go into making the sound of the completed motion picture project, including adding music, sound effects, foley, dialogue, re-recorded dialogue, background looping, and the final mix of those elements.
  - (4) "Pilot" means the initial episode produced for a proposed television series that is longer than 40 minutes of running time, exclusive of commercials, with a minimum production budget of one million dollars (\$1,000,000).
  - (5) "Preproduction start date" means the first day of work on a project for either the unit production manager or the production designer, whichever occurs first.
  - (6) "Principal photography days" means the number of days shot by the principal unit with the director present and lead actors usually present. "Principal photography days" in California does not include the filming of primarily backgrounds, visual effects, action, and/or crowd scenes by the second, stunt, or visual effects units.

- (A) "Principal photography outside the Los Angeles Zone" means that, at minimum, the first scene of the day is filmed outside the Los Angeles Zone.
- (7) "Producer" means any individual who receives an on-screen producer credit including but not limited to any of the following titles: producer, co-producer, line producer, executive producer, co-executive producer, associate producer, supervising producer, post producer, or visual effects producer.
- (8) "Production budget" means the budget used by the applicant and production company and shall include qualified and non-qualified expenditures. Production budget shall include wages, goods, and services performed and incurred within and outside of California. It does not include costs which are not directly associated with the preproduction, production, or postproduction of the project, such as, but not limited to, distribution prints and advertising, marketing, film festival participation, financing, or distribution costs such as DVD manufacturing.
- (q) (1) "Qualified period" means the period that begins at the date of issuance of a qualified motion picture project's CAL, as defined in section 5550(c)(6) of this article, and ends thirty (30) calendar days after the creation of the final element, if that date falls within the thirty (30) month completion timeframe set forth in sections 17053.98.1(b)(19)(B)(ii) and 23698.1(b)(19)(B)(ii) of the Revenue and Taxation Code and section 5555(c) of this article.
- (r) (1) "Reality television program" means a program depicting real events and non-actors through actual footage which presents persons in purportedly unscripted or partially scripted situations.
- (2) "Reasonable cause" means unforeseen circumstances beyond the control of the applicant, including, but not limited to: an event of force majeure; the cancellation of a television series prior to the completion of the scheduled number of episodes; failure by third parties to perform; a change in essential talent such as the director, principal cast and the associated costs; and/or a change in production financing exigencies resulting in a significant reduction to the production budget.
- (3) "Recurring television series" means any television series, relocating television series, or any new television series based on a pilot for a new television series that was approved and issued a CAL in a previous allocation period under the California Film and Television Tax Credit Program 1.0, 2.0, 3.0, or 4.0, or the California Soundstage Filming Tax Credit Program.
- (4) "Relocating television series" has the same meaning as "television series that relocated to California;" as defined in section 5550(t)(4) of this article for purposes of the California Film and Television Program 4.0, and the terms may be used interchangeably and shall be understood to have the same meaning.
- (s) (1) "Safety advisor" means, for purposes of the California Film and Television Program 4.0, an individual ~~approved by the Industry-Wide Labor-Management Safety Committee~~, who fulfills the criteria of section 9151(k) of the Labor Code, including successful completion of the training course that has been implemented by the Industry-Wide Labor-Management Safety Committee pursuant to paragraph

9151(k)(2) of the Labor Code, and who prepares and submits the final safety evaluation report.

- (2) “Scripted series” means a fictional episodic television series based upon scripted materials.
  - (3) “Scoring musician” means an instrumental musician, a vocalist, a music arranger, an orchestrator, a Musical Instrument Digital Interface (MIDI) transcriber, a music copyist, a music librarian, a conductor (except a conductor that is also the composer), and a musician or a choral contractor employed solely for the purpose of recording music for a qualified motion picture.
  - (4) “Soundstage applicant” means an applicant, as defined in this section, that films its project on a soundstage or soundstages certified or once certified by the California Film Commission pursuant to sections 17053.98(k) and 23698(k) of the Revenue and Taxation Code and fulfilling specific requirements of those sections to receive the one hundred thirty-three percent (133%) jobs ratio advantage specified in section 5553.1(a)(2) of this article.
  - (5) “Soundstage wages” means wages for production services performed within the production period, as defined in sections 17053.98.1(b)(15) and 23698.1(b)(15) of the Revenue and Taxation Code, on a certified soundstage or certified ancillary building and in alignment with section 5530(l)(1)(A) of article 4 of this chapter. Wages related to maintenance of the certified soundstage, and wages incurred for services performed at locations or facilities that are not a certified soundstage or certified ancillary building shall not be included for the purpose of satisfying the criteria in sections 17053.98(k)(2)(B)(ii) and 23698(k)(2)(B)(ii).
  - (6) “Stage shooting day” means a principal photography day, as defined in section 5550(p)(6) of this article, during which an applicant utilizes its certified soundstage(s), or other soundstage(s) for six hours or more. For purposes of qualifying as a stage shooting day, time spent filming on the backlot or similar contiguous area immediately adjacent to the certified soundstage(s) or other soundstage(s) shall qualify.
  - (7) “Supplemental television season” means a backorder of episodes related to a season that is already in production.
  - (8) “Supplier diversity” means, for purposes of the diversity, equity, inclusion, and accessibility provisions specified in sections 17053.98.1(g)(3)(D) and 23698.1(g)(3)(D) of the Revenue and Taxation Code, contracting with vendors, including but not limited to catering companies, accounting firms, equipment rentals, and postproduction houses, owned and operated by individuals from socially and economically underrepresented groups to support production.
- (t)
- (1) “Television project” means pilots for new television series, new television series, miniseries/limited series, a relocating television series, and recurring television series.
  - (2) “Television season” means the initial exhibition of a set of interrelated new television episodes lasting no less than six (6) episodes and no more than thirty (30) episodes within a period of twelve (12) months.

(A) A supplemental television season may consist of fewer than six (6) episodes.

(3) "Television series" also known as "episodic television," means a regularly occurring production and may include a series with multiple episodes available to the public in a single viewing and without regard to distribution transmission.

(4) "Television series that relocated to California" means a television series without regard to episode length or initial media exhibition, with a minimum production budget of one million dollars (\$1,000,000) per episode, that filmed at least seventy-five percent (75%) of principal photography days in its most recent season outside of California or has filmed all seasons outside of California and for which the taxpayer certifies that the credit is the primary reason for relocating to California.

(u) (Reserved)

(v) (1) "Visual effects" (VFX) means the digital and/or in-camera creation, alteration, or enhancement of images. Visual Effects includes, but is not limited to, clean-up, wire removals, matte paintings, animation, set extensions, computer-generated objects, characters and environments, digital FX simulations, compositing (combining two or more elements in a final image), motion capture, facial capture, world capture (locations, set scanning) and visualizations (previz, techviz, postviz). It also includes the digital creation, clean-up, alteration or enhancement of materials for and resulting from shooting in a virtual production volume. "Visual effects" does not include fully animated projects, whether created by traditional or digital means.

NOTE: Authority cited: Sections 17053.98.1(e), and 23698.1(e), Revenue and Taxation Code; and Section 11152, Government Code. Reference: 17053.98(k), 17053.98.1(a), 17053.98.1(b), 17053.98.1(g), 17053.98.1(h), 17053.98.1(i), 23698(k), 23698.1(a), 23698.1(b), 23698.1(g), 23698.1(h), and 23698.1(i), Revenue and Taxation Code; Section 9151(k) and 9152(h), Labor Code; and Section 14998.1, Government Code.



§ 5553.3. Diversity, Equity, Inclusion, and Accessibility Checklist and Workplan.

(a) Any applicant for an allocation of tax credits under the California Film and Television Tax Credit Program 4.0 that moves on to Phase II of the application process in accordance with subdivisions (k) and (l) of section 5553, shall submit to the CFC a completed diversity checklist, Form DEIA1, (January 1, 2025), hereby incorporated by reference, pursuant to sections 17053.98.1(b)(19)(B)(vi) and 23698.1(b)(19)(B)(vi) of the Revenue and Taxation Code.

(1) The submission of a diversity checklist is mandatory for all Phase II applicants; failure to submit the diversity checklist shall result in disqualification.

(b) An approved applicant that opts in to the diversity provisions of sections 17053.98.1(g)(3)(D) and 23698.1(g)(3)(D) shall, within thirty (30) calendar days of CAL issuance, submit to the CFC a diversity, equity, inclusion, and accessibility workplan, Form DEIA2 (January 1, 2025), hereby incorporated by reference, consistent with the diversity checklist referenced in subdivision (a) of this section.

(1) Failure to submit Form DEIA2 within the timeframe specified in subdivision (b) shall constitute opting out of the diversity provisions of 17053.98.1(g)(3)(D) and 23698.1(g)(3)(D) of the Revenue and Taxation Code, regardless of an applicant's previously stated intent. Opting out means an applicant, except an independent film with a qualified expenditure budget of ten million dollars (\$10,000,000) or less, shall be eligible for tax credit certification of at most the sum that equals ninety-six percent (96%) of the total sum of allocated credits, including uplifts, subject to verification and audit.

(c) In reviewing an applicant's Form DEIA2 for approval or rejection, the CFC will consider, to the extent allowed by federal and state law, whether:

(1) The applicant has included goals related to the focus areas detailed in Form DEIA1 (January 1, 2025) and Form DEIA2 (January 1, 2025) and as required pursuant to sections 17053.98.1(g)(3)(D)(ii)(I)(ia), 17053.98.1(g)(3)(D)(ii)(I)(ib), 23698.1(g)(3)(D)(ii)(I)(ia), and 23698.1(g)(3)(D)(ii)(I)(ib) of the Revenue and Taxation Code.

(2) The applicant has included a detailed description of the proposed strategies the applicant will employ to meet or make a good-faith effort to meet its non-numeric goals, as required pursuant to sections 17053.98.1(g)(3)(D)(ii)(I)(ic) and 23698.1(g)(3)(D)(ii)(I)(ic) of the Revenue and Taxation Code.

(3) The applicant has included a detailed description of how the proposed strategies may help achieve goals that are broadly reflective of California's population, in terms of factors such as race, ethnicity, gender, and disability status, as required pursuant to sections 17053.98.1(g)(3)(D)(ii)(I) and 23698.1(g)(3)(D)(ii)(I) of the Revenue and Taxation Code.

(4) The goals and strategies described are:

(A) Original and/or demonstrably tailored to the project; and

(B) Thoroughly detailed; and

(C) Reasonably achievable within the scope of the project.

(d) The CFC will reject any submitted Form DEIA2 that includes quotas or other numeric goals regarding protected classes, including race, ethnicity, gender, and disability status.

(e) Within thirty (30) calendar days of receipt of an applicant's Form DEIA2, the Director of the CFC, or their designee, will notify the applicant whether the diversity workplan is approved or rejected.

(1) If a diversity workplan is rejected, the CFC will provide feedback and an applicant may revise and resubmit its workplan within ~~fifteen~~ thirty (~~15~~30) calendar days of the notice of rejection.

(A) An applicant that does not submit its amended Form DEIA2 within the timeframe specified in paragraph (1) or that does not amend its Form DEIA2 in accordance with CFC feedback shall be considered not to have met the diversity workplan provision of sections 17053.98.1(g)(3)(D)(ii)(I) and 23698.1(g)(3)(D)(ii)(I) of the Revenue and Taxation Code. Not meeting this provision means that an applicant, except an independent film with a qualified expenditure budget of ten million dollars (\$10,000,000) or less, shall be eligible for tax credit certification of at most the sum that equals ninety-six percent (96%) of the total sum of allocated credits, including uplifts, subject to verification and audit.

NOTE: Authority cited: Sections 17053.98.1(e) and 23698.1(e), Revenue and Taxation Code; and Section 11152, Government Code. Reference: Sections 17053.98.1(b), 17053.98.1(g), 23698.1(b), and 23698.1(g), Revenue and Taxation Code; and Section 14998.1, Government Code.

§ 5554.2. Interim and Final Diversity, Equity, Inclusion, and Accessibility Assessments.

- (a) Prior to the start of principal photography, an approved applicant that opts in to the diversity provisions of Revenue and Taxation Code sections 17053.98.1(g)(3)(D) and 23698.1(g)(3)(D) shall submit a diversity, equity, inclusion, and accessibility interim assessment, Form DEIA3 (January 1, 2025), hereby incorporated by reference, consistent with Form DEIA1 (January 1, 2025) and Form DEIA2 (January 1, 2025), hereby incorporated by reference, submitted by the applicant.
- (1) In reviewing an applicant's Form DEIA3 for determination, the CFC will consider whether:
    - (A) The applicant has made progress towards its goals stated in Form DEIA2.
    - (B) The applicant has a clear plan for how to progress towards and meet its goals stated in Form DEIA2.
    - (C) The applicant has identified any barriers to meeting its goals stated in Form DEIA2, and if so has identified steps to overcome those barriers.
    - (D) The responses in Form DEIA3 are original and/or demonstrably tailored to the project, thoroughly detailed, and indicate that the applicant is making a good-faith effort toward achieving its goals.
  - (2) The CFC will review the applicant's Form DEIA3 and within thirty (30) calendar days of the date of submission will provide its determination of whether the Form DEIA3 indicates that the qualified motion picture is making a good-faith effort to meet the goals of its diversity workplan.
  - (3) Failure to submit Form DEIA3 prior to start of principal photography shall constitute opting out of the diversity provisions of 17053.98.1(g)(3)(D) and 23698.1(g)(3)(D) of the Revenue and Taxation Code, regardless of an applicant's previously stated intent or submitted materials. Opting out means an applicant, except an independent film with a qualified expenditure budget of ten million dollars (\$10,000,000) or less, shall be eligible for tax credit certification of at most the sum that equals ninety-six percent (96%) of the total sum of allocated credits, including uplifts, subject to verification and audit.
    - (A) An applicant whose start date for principal photography falls within thirty (30) calendar days of CAL issuance for its project shall be given an extension to submit its Form DEIA3 no later than the business day following the date of CFC approval of its Form DEIA2, if that date falls on or after the start date of principal photography for the project.
- (b) Within sixty (60) calendar days of the creation of the final element, an approved applicant that opts in to the diversity provisions of Revenue and Taxation Code sections 17053.98.1(g)(3)(D) and 23698.1(g)(3)(D) shall submit a final diversity, equity, inclusion, and accessibility assessment to the CFC. The final assessment required pursuant to Revenue and Taxation Code sections 17053.98.1(g)(3)(D)(ii)(III) and 23698.1(g)(3)(D)(ii)(III) shall include two separate parts.

- (1) Part one shall consist of Form DEIA4 (January 1, 2025), hereby incorporated by reference, and shall be clearly and completely separated from part two of the final assessment. Only the information provided in part one of the DEIA Final Assessment, Form DEIA4, shall be considered by the CFC in determining whether the applicant has met or made a good-faith effort to meet the goals of its diversity, equity, inclusion, and accessibility Workplan, Form DEIA2.
- (2) Part two shall be submitted in accordance with section 5555(b)(5)(H) of this article and shall include:
- (A) A listing of voluntary, self-reported race/ethnicity and gender statistics for all individuals who received qualified wages, as required pursuant to sections 17053.98.1(d)(1)(J), 17053.98.1(g)(2)(A)(iv), 23698.1(d)(1)(J), and 23698.1(g)(2)(A)(iv) of the Revenue and Taxation Code.
  - (B) A listing of voluntary, self-reported race/ethnicity and gender statistics for all individuals who received non-qualified wages on the motion picture project, as required pursuant to sections 17053.98.1(d)(1)(E), 17053.98.1(g)(2)(A)(iv), 23698.1(d)(1)(J), and 23698.1(g)(2)(A)(iv) of the Revenue and Taxation Code.
  - ~~(C) A description of the barriers faced by the applicant, if any, in collecting or receiving the data.~~
  - (D) Part two shall be clearly and completely separated from part one of the final assessment and the statistics presented in part two shall not be referenced in part one. The statistics presented in part two shall have no bearing on the goals and outcomes presented by the applicant in part one and will not be considered by the CFC in determining whether the applicant has met or made a good-faith effort to meet the goals of its diversity workplan.
    1. The data required pursuant to this paragraph shall be submitted by all approved applicants in the California Film and Television Tax Credit Program 4.0, including an independent film with a qualified expenditure budget of ten million dollars (\$10,000,000) or less and an applicant that has opted out of the requirements of Revenue and Taxation Code sections 17053.98.1(g)(3)(D) and 23698.1(g)(3)(D).
- (3) Within thirty (30) calendar days of receipt of an applicant's Form DEIA4, the Director of the CFC, or their designee, will notify the applicant whether the applicant has been determined to have met or made a good-faith effort to meet its diversity goals and is eligible for certification of one hundred percent (100%) of its allocated tax credits or has been determined not to have met or made a good-faith effort to meet its diversity goals and is eligible to have ninety-six percent (96%) of its allocated tax credits certified.
- (A) The applicant shall submit this determination to the CPA performing its final audit pursuant to section 5555(b)(6) of this article.
- (4) Failure to submit Form DEIA4 within the timeframe specified in subdivision (b) above shall constitute opting out of the diversity provisions of 17053.98.1(g)(3)(D) and 23698.1(g)(3)(D) of the Revenue and Taxation Code, regardless of an applicant's

previously stated intent or submitted materials. Opting out means an applicant, except an independent film with a qualified expenditure budget of ten million dollars (\$10,000,000) or less, shall be eligible for tax credit certification of at most the sum that equals ninety-six percent (96%) of the total sum of allocated credits, including uplifts, subject to verification and audit.

- (c) The CFC will reject any submitted Form DEIA3 or Form DEIA4 that includes quotas or other numeric goals regarding a protected class, including, but not limited to race, ethnicity, gender, and disability status.

NOTE: Authority cited: Sections 17053.98.1(e) and 23698.1(e), Revenue and Taxation Code; and Section 11152 Government Code. Reference: Sections 17053.98.1(d), 17053.98.1(g), 23698.1(d), and 23698.1(g), Revenue and Taxation Code; and Section 14998.1, Government Code.

# CALIFORNIA

## Film Commission

### California Film and Television Tax Credit Program 4.0

## DIVERSITY, EQUITY, INCLUSION, AND ACCESSIBILITY WORKPLAN

Production Title:		DEIA Contact Person:	
Queue Number:		Contact E-mail:	
Project Category:		Contact Phone:	
CAL Date:		DEIA Workplan Deadline:	

In accordance with sections 17053.98.1(g)(3)(D) and 23698.1(g)(3)(D) of the Revenue and Taxation Code, approved applicants in the California Film Commission (CFC) Film and Television Tax Credit Program that elect to OPT IN to the diversity requirements shall submit a Diversity Workplan (Form DEIA2) within 30 calendar days of the date of the Credit Allocation Letter (CAL). Failure to submit the Form DEIA2 shall result in opting out of the diversity provisions. The CFC will reject any submitted Form DEIA2 that includes quotas or other numeric goals regarding protected classes, including but not limited to race, ethnicity, gender, and disability status.

Approved projects must complete this Form by including information specific to individuals whose wages are included within qualified wages and information specific to individuals whose wages are excluded from qualified wages as set forth in sections 17053.98.1(b)(22)(B)(iv) and 23698.1(b)(22)(B)(iv) of the Revenue and Taxation Code. The Form must include a description of how the project's diversity goals may help achieve outcomes that are broadly reflective of California's population, in terms of factors such as, but not limited to race, ethnicity, gender, and disability status.

Resources to support applicants are available on the [CFC website](#). If you have questions about how to complete this Form, please contact [DEIAProgram@film.ca.gov](mailto:DEIAProgram@film.ca.gov). The U.S. Census Data is available as a resource to view statistics broadly reflective of California's population. The questions and prompts on this form are not intended to require applicants to make any statements, set any goals, or take any actions that are incompatible with or contrary to federal, state, or local law, or applicable collective bargaining agreements.

**A. INCLUSIVE HIRING:**  
Inclusive hiring means minimizing bias during the hiring process, valuing diverse perspectives, and implementing an equitable recruiting process. Include in your responses information specific to above-the-line and below-the-line individuals.

1. What are the production's non-numeric goals for hiring outreach for open positions, such as utilizing DEIA- and industry capacity building related staffing resources and lists to identify candidates?

**DIVERSITY, EQUITY, INCLUSION, AND ACCESSIBILITY WORKPLAN**

2. What are the production’s non-numeric goals for expanding access to employment through developing hiring criteria that demonstrate consideration for, but not limited to, the following:

- a. graduates of pathway programs
- b. underrepresented individuals who lack established relationships in the motion picture production industry in California

3. What are the production’s non-numeric goals for making interviews and casting sessions accessible to people with disabilities in alignment with applicable state law and the Americans with Disabilities Act of 1990 (ADA)?

4. What are the production’s non-numeric goals for hiring hair and makeup crew members who are skilled in working with a variety of racial/ethnic hairstyles, textures, facial features and skin tones that reflect the cast members?

5. What are the production’s non-numeric goals for hiring a cinematographer and gaffer/chief lighting technician and key grips who are skilled in lighting for a variety of skin tones that reflect the cast members?

6. What are the production’s non-numeric goals for hiring a casting director skilled in casting underrepresented individuals in major and minor roles, as well as background, unless the storyline **requires calls for** casting of specific racial, ethnic, gender or other characteristics that would **prevent/impede** such casting?

~~7.—What are the productions goals for enabling awareness of wage parity among comparable or similar cast and crew regardless of, but not limited to, race, ethnicity, gender, disability status.~~

**BE. EQUITY EDUCATION**

Equity Education means learning about the historical and contemporary experiences of underrepresented communities and people, and **existing civil rights and discrimination laws, laws protecting these communities and people**, and setting goals for ensuring DEIA for everyone on the production.

1. What are the training opportunities the production will provide to address its Equity Education goals?

2. What are the production’s goals for building awareness of its commitment to DEIA

**DIVERSITY, EQUITY, INCLUSION, AND ACCESSIBILITY WORKPLAN**

with the production’s department heads?
<b>3.</b> <del>Describe the benefits</del> <u>What does the production hope to gain</u> , specific to this project, <u>of from</u> learning about the historical and contemporary experiences of underrepresented communities and people?
<b>4.</b> What are the production’s goals in recognizing the people and communities, including <u>but not limited to</u> California tribal nations, Native communities, and Indigenous peoples, living or located in the geographical area where it is conducting principal photography?
<b>5.</b> What are the production’s goals for sharing a Land Acknowledgement at any point during production?
<b>6.</b> <u>Given that underrepresented communities are disproportionately affected by environmental impacts</u> , <del>W</del> <u>what</u> are the production’s goals for <u>building awareness</u> <del>considering potential impacts on the environment during production of its sustainability efforts?</del>

<b>CD. INDUSTRY CAPACITY BUILDING:</b> For the purposes of this application, Industry Capacity Building means helping to increase an inclusive and qualified workforce and qualified vendor and supplier base in all areas that contribute to motion picture production in California.
<b>1.</b> What are the production’s non-numeric goals for helping to increase an inclusive and qualified workforce and qualified vendor and supplier base including, but not limited to, the use of apprenticeships, internships, mentoring, <u>and</u> <del>traineeships and shadowing?</del>
<b>2.</b> What are the production’s goals for enabling everyone on the production to understand its anti-discrimination and anti-harassment policies and the process for reporting such experiences as well as the steps to be taken once such a report is received?
<b>3.</b> What are the production’s goals for offering gender-neutral <u>public</u> bathrooms on set and in administrative production spaces throughout the production?
<b>4.</b> What are the production’s goals for ensuring an accessible production in alignment with applicable state law and the ADA?



**DIVERSITY, EQUITY, INCLUSION, AND ACCESSIBILITY WORKPLAN**

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**DE. SUPPLIER DIVERSITY:**

For purposes of this application, Supplier Diversity means contracting with vendors, including but not limited to catering companies, accounting firms, equipment rentals, and postproduction houses, owned and operated by individuals from socially and economically underrepresented groups to support production.

1. What are the production’s goals for outreach to diverse suppliers, including the resources or lists it will utilize to identify available suppliers?

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2. What are the production’s non-numeric goals for contracting with diverse suppliers on this project including, if applicable, suppliers reflective of the people and communities specific to the project?

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*What are the production’s goals for creating an accessible environment for vendors with disabilities working with the production in alignment with applicable state law and the ADA.*

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NOTE: Approved projects opting in to the diversity provisions of sections 17053.98.1(g)(3)(D) and 23698.1(g)(3)(D) of the Revenue and Taxation Code must complete a diversity, equity, inclusion, and accessibility Interim Assessment, Form DEIA3, prior to start of principal photography.

**Acknowledgment and Certification**

I acknowledge, agree, and certify that I, the DEIA contact, have read and reviewed the Diversity Workplan, including all the content provided, and that it is accurate to the best of my knowledge, or at least what would be expected of a reasonable person in the same capacity.

Date:	DEIA Contact Name:	Applicant Signature: