

**State of California  
Office of Administrative Law**

**In re:**  
**California Film Commission**

**Regulatory Action:**

**Title 10, California Code of Regulations**

**Amend sections:** 5550, 5551, 5552, 5553,  
5553.1, 5553.2, 5554,  
5554.2, 5555

**NOTICE OF APPROVAL OF EMERGENCY  
REGULATORY ACTION**

**Government Code Sections 11346.1 and  
11349.6**

**OAL Matter Number: 2025-1222-01**

**OAL Matter Type: Emergency (E)**

This emergency action by the California Film Commission amends regulations governing the Motion Picture Tax Credit 4.0 Program and Soundstage Filming Tax Credit Program to further implement Assembly Bill 1138 (Stats. 2025 ch. 27), which, in part, revised the definition of "qualified motion picture" to include live action and animated series with episodes averaging 20 minutes or more, animated films, and large-scale competition shows, as specified.

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

This emergency regulatory action is effective on January 2, 2026 and will expire on July 2, 2026. The Certificate of Compliance for this action is due no later than July 1, 2026.

**Date:** January 2, 2026



**Nicole C. Carrillo  
Senior Attorney**

**For:** Kenneth J. Pogue  
Director

**Original:** Colleen Bell, Executive  
Director  
**Copy:** Leah Medrano

## NOTICE PUBLICATION/REGULATIONS

STD. 400 (REV. 10/2019)\*

**EMERGENCY**

For use by Secretary of State only

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

OAL FILE NUMBERS	NOTICE FILE NUMBER <b>Z-</b>	REGULATORY ACTION NUMBER <b>2025-1222-01E</b>	EMERGENCY NUMBER
For use by Office of Administrative Law (OAL) only			
NOTICE		REGULATIONS	
AGENCY WITH RULEMAKING AUTHORITY California Film Commission		AGENCY FILE NUMBER (If any)	

JAN 02 2026

1:37 PM

OFFICE OF ADMIN. LAW  
2025 DEC 22 PM3:10**A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)**

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 Disapproved/Withdrawn	NOTICE REGISTER NUMBER	PUBLICATION DATE	

**B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)**

1a. SUBJECT OF REGULATION(S) CA Film and Television Tax Credit Program	1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S)
2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (Including title 26, if toxics related)	
SECTION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.) TITLE(S) 10	ADOPT AMEND REPEAL <b>PER AGENCY REQUEST NCC</b> <b>5550, 5551, 5552, 5553, 5553.1, 5553.2, 5554, 5554.2, 5555</b>
3. TYPE OF FILING	
<input type="checkbox"/> Regular Rulemaking (Gov. Code §11346) <input type="checkbox"/> Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute. <input type="checkbox"/> Emergency Readopt (Gov. Code, §11346.1(h)) <input type="checkbox"/> Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100) <input type="checkbox"/> Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §§11349.3, 11349.4) <input type="checkbox"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1) <input type="checkbox"/> File & Print <input type="checkbox"/> Print Only <input checked="" type="checkbox"/> Emergency (Gov. Code, §11346.1(b)) <input type="checkbox"/> Other (Specify) _____	
4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1)	
5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100 ) <input type="checkbox"/> Effective January 1, April 1, July 1, or October 1 (Gov. Code §11343.4(a)) <input checked="" type="checkbox"/> Effective on filing with Secretary of State <input type="checkbox"/> \$100 Changes Without Regulatory Effect <input type="checkbox"/> Effective other (Specify) _____	
6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY <input type="checkbox"/> Department of Finance (Form STD. 399) (SAM §6660) <input type="checkbox"/> Fair Political Practices Commission <input type="checkbox"/> State Fire Marshal <input type="checkbox"/> Other (Specify) _____	
7. CONTACT PERSON Leah Medrano	TELEPHONE NUMBER (323) 817-4110
FAX NUMBER (Optional)	E-MAIL ADDRESS (Optional) Leah.Medrano@film.ca.gov

8. I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.

SIGNATURE OF AGENCY HEAD OR DESIGNEE

*Colleen Bell*

TYPED NAME AND TITLE OF SIGNATORY

Colleen Bell

DATE

12/22/2025

For use by Office of Administrative Law (OAL) only

**ENDORSED APPROVED**

JAN 02 2026

Office of Administrative Law

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) "Animated Project" is a qualified motion picture in which movement and characters' performances are created using a frame-by-frame technique; animated projects may be 2D, 3D, or stop-motion, and may include utilization of motion capture.
- (12) "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.
- (23) "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.
- (g) (1) "Game show" means a show that is closed-ended, which means the competition aspect is self-contained within an episode and does not carry over between episodes, with the winner being chosen at the end of each episode.
- (2) "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 toward diverse, equitable, inclusive, and accessible productions 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.

- (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~~thirty percent (~~25~~30%) of the producing company.

(k) (Reserved)

- (l) -(1) "Large-scale competition show" means a television project consisting of a minimum budget of one million dollars (\$1,000,000) per episode. Large-scale competition shows do not include traditional reality shows, game shows, talk shows, or a docu-follow television programs. A large-scale competition show must have the following elements:
- (A) Contestants who compete, and which competition ultimately results in a person or group of people winning, or one or more persons being awarded a financial or other benefit or consideration.
- (B) A winner of the competition is chosen by a live or broadcast audience, a panel of judges, a single judge, other contestants, through a head-to-head competition, or is the contestant who has achieved the highest score or most points or other metric, or is the last remaining contestant who has not been otherwise eliminated.
- (42) "Limited series" shall 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.
- (23) "Local Hire Labor" means 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.
- (34) "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.
- (2) "Motion capture" is a production technique in which the movement of a performer is digitally recorded usings sensors, or camera-based tracking systems, and then transferred to computer-generated character or object so it can replicate the performer's motion in animation or visual effects.

-(3) "Motion capture animated project" is an animated project in which motion capture data provides the primary source of character animation, rather than serving as a supplemental or reference tool.

(4) "Pilot" means the initial episode produced for a proposed television series that is longer than ~~40~~20 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.

(B) Principal photography does not apply to a qualified motion picture that is considered an animated film or television series, unless the animated project is a motion capture animated project.

(3) "Reboot television series" means a qualified motion picture that is a television series that has not previously received a credit allocation under the Film and Television Tax Credit Program or the Soundstage Filming Tax Credit Program and that has completed principal photography of its previous season more than 48 months prior to applying for a credit allocation under either program.

(4) "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.

(45) "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.

(2) "Second season television series" is a qualified motion picture that is a television series that did not commence principal photography before July 1, 2025.

(A) (i) For fiscal year 2025-2026, a television series with a minimum running time of 40 minutes, that has applied for, but did not receive, an allocation for the first season is eligible to submit an application for season two.

(ii) A television series with a minimum running time of 20 minutes that was previously ineligible to apply for the Film and Television Tax Credit Program and that completed principal photography in California for its first season is eligible to submit an application for allocation for its second season.

(B) Beginning fiscal year 2026-2027, a television series, with a minimum running time of 20 minutes, that has applied for, but did not receive, an allocation for the first season is eligible to submit an application for season two.

(3) "Scripted series" means a fictional episodic television series based upon scripted materials.

(43) "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.

(54) "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.

(65) "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).

(76) "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.

(87) "Supplemental television season" means a backorder of episodes related to a season that is already in production.

(98) "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.

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.

#### § 5551. Program Eligibility.

(b) (1) An applicant may apply for tax credit allocation under the California Film and Television Tax Credit Program 4.0 with a qualified motion picture project in one of the following categories:

(A) Non-independent feature film, live action or animated.

(B) Independent film with a qualified expenditure budget over ten million dollars (\$10,000,000), live action or animated.

(C) Independent film with a qualified expenditure budget of ten million dollars (\$10,000,000) or less, live action or animated.

(D) Pilot-, live action or animated.

(E) New television series-, live action or animated.

- (F) Recurring television series, live action or animated.
- (G) Large-scale competition show. Relocating television series
- (H) Miniseries/limited series, live action or animated.
- (I) Reboot television series, live action or animated.
- (J) Second season television series, live action or animated.
- (K) Relocating television series, live action or animated.

- (c) To qualify as a non-independent feature film (live action or animated), the motion picture project shall have a running time of at least seventy-five (75) minutes and a minimum budget of one million dollars (\$1,000,000).
- (d) To qualify as an independent film, the motion picture project shall have a running time of at least seventy-five (75) minutes and a minimum budget of one million dollars (\$1,000,000), and must be produced by a company that is not publicly traded and a publicly traded company does not own, directly or indirectly, more than ~~twenty-five~~thirty percent (~~25~~30%) of the producing company.
- (e) To qualify as a pilot for a new television series, the pilot episode shall have a running time longer than ~~forty-two~~thirty (~~40~~30) minutes, exclusive of commercials, shall be produced in California with a minimum budget of one million dollars (\$1,000,000), and shall be the initial episode in a proposed television series.
- (f) To qualify as a new television series (scripted, competition, or animated), the television series shall produce episodes with a running time longer than ~~twenty-four~~thirty (~~40~~30) minutes each, exclusive of commercials, and with a minimum production budget of one million dollars (\$1,000,000) per episode.

~~(k) — (1) An animated production is not considered a qualified motion picture and shall not be eligible for a tax credit. Animated production means content created that does not utilize or incorporate live action footage but creates a motion picture consisting principally of computer generated or hand painted images. An animated production does not engage in principal photography and therefore does not meet the conditions for eligibility set forth in sections 17053.98.1(b)(14) and 23698.1(b)(14) of the Revenue and Taxation Code.~~



~~(k) (2)(1)~~ Revenue and Taxation Code sections 17053.98.1(b)(19)(D) and 23698.1(b)(19)(D) contain a listing of other project types, content, and production circumstances ineligible for tax credit allocation under the California Film and Television Tax Credit Program 4.0.

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(k), 17053.98.1(a), 17053.98.1(b), 17053.98.1(c), 17053.98.1(g), 17053.98.1(i), 23698(k), 23698.1(a), 23698.1(b), 23698.1(c), 23698.1(g) and 23698.1(i), Revenue and Taxation Code; and Section 14998.1, Government Code.

#### § 5552. Tax Credit Allocation.

- (a) In each fiscal year beginning with the 2025-26 fiscal year and ending with the 2029-30 fiscal year, the CFC shall allocate tax credits to qualified motion picture projects produced by eligible California Film and Television Tax Credit Program 4.0 applicants in two-four or more allocation periods publicized as specified in section 5553(a) of this article.
- (b) The amount of tax credits allocated to a qualified motion picture project shall be based on a percentage of the qualified expenditures provided in sections 17053.98.1(a)(4) and 23698.1(a)(4) of the Revenue and Taxation Code, as follows:
  - (1) ~~Twenty-Thirty-five~~ percent (2035%) of the qualified expenditures attributable to a qualified motion picture project category listed in subparagraphs (A), ~~(D), (E), (F), and to (H,J)~~ of section 5551(b)(1) of this article.
  - (2) ~~Twenty-fiveForty~~ percent (2540%) of the qualified expenditures attributable to a qualified motion picture project category listed in subparagraphs (B), (C), and ~~(G)(K)~~ of section 5551(b)(1) of this article.
- (e) Tax credits for a feature film, new or recurring television series, relocating television series, pilot, or miniseries/limited series shall be applied to a maximum of one hundred, twenty million dollars (~~\$400120,000,000~~) of the qualified expenditure budget. There shall be no maximum on the production budget.
  - (1) A one hundred twenty million-dollar (~~\$400120,000,000~~) qualified expenditure maximum applies to the five percent (5%) augmentation as per section 5552(h)(1-~~32~~).
  - (2) A one hundred twenty million-dollar (~~\$400120,000,000~~) qualified expenditure maximum applies to the ten percent (10%) augmentation as per section 5552(i)(1).

- (3) A one hundred twenty million-dollar (~~\$400~~120,000,000) qualified expenditure maximum applies to the five percent (5%) augmentation as per section 5552(i)(2) with respect to a relocating television series.
- (f) Tax credits for an independent film shall be applied to a maximum of ten~~ten~~ million dollars (~~\$40~~20,000,000) of the qualified expenditure budget. There shall be no maximum on the production budget.
- (1) A ten~~ten~~ million-dollar (~~\$40~~20,000,000) qualified expenditure maximum applies to the five~~five~~ percent (5~~10~~%) augmentation as per Section 5552(i)(21).
- (h) For purposes of this section, a five percent (5%) augmentation ("uplift") to the tax credit allocation for non-independent motion pictures (excluding relocating television series) shall be made by the CFC when any of the following conditions have been met:
- (1) The production company pays or incurs qualified expenditures relating to qualified visual effects work totaling a minimum of ten million dollars (\$10,000,000) in California or at least seventy-five percent (75%) of total worldwide visual effects expenditures are incurred in California.
- ~~(2) The production company pays or incurs qualified wages for services performed outside the Los Angeles zone during the applicable period relating to original photography outside the Los Angeles zone by individuals who reside within the Los Angeles zone. The foregoing amounts shall be substantiated by documentation including, but not limited to, timesheets and payroll records as requested by the CFC pursuant to section 5555(e) and/or the CPA performing the Agreed Upon Procedures (AUP; January 1, 2025), hereby incorporated by reference.~~
- (32) The production company purchases or leases tangible personal property outside the Los Angeles zone during the applicable period and the personal property is used or consumed outside the Los Angeles zone. Tangible personal property must be purchased, rented or leased from an outside of Los Angeles vendor through an office or other place of business outside the Los Angeles zone. Rentals or purchases from a pass-through business do not qualify for the five percent (5%) augmentation.
- (A) If the tangible personal property purchased or leased outside the Los Angeles zone was not completely used or consumed solely outside the Los Angeles zone, the production company shall apportion amounts paid or incurred for tangible personal property outside the Los Angeles zone during the applicable period by multiplying these non-wage outside the Los Angeles zone expenditures by the ratio of days of principal photography outside the Los Angeles zone to the total number of days of principal photography.
- (B) If the tangible personal property purchased or leased outside the Los Angeles zone was completely used or consumed solely outside the Los Angeles zone,

and the production company wishes to seek an uplift based on out of zone consumables, the company shall substantiate that with its records. Tangible personal property purchased or leased outside the Los Angeles zone shall be deemed to be completely used or consumed provided the property was of a type or nature such that it would have no residual material value remaining after its use or consumption outside the Los Angeles zone. Examples of such property include, but are not limited to, food and catering items, rented hotel or corporate housing usage, construction supplies and materials for sets, automotive or other fuels, security services, location and stage services, government permit fees, personnel services, printing, equipment rentals for the applicable period outside the Los Angeles Zone, transportation services, dry cleaning, and shipping and travel costs from within the state to and from the out of zone location. -

- (i) (1) For the purposes of this section, a ten percent (10%) augmentation ("uplift") to the tax credit allocation for independent and non-independent motion pictures (excluding relocating television) shall be made by the CFC if the production company pays or incurs qualified wages for services performed by local hire labor outside the Los Angeles zone during the applicable period relating to original photography outside the Los Angeles zone. The foregoing amounts shall be substantiated by documentation in accordance with paragraph (3) below.
  - (2) For the purposes of this section, a five percent (5%) augmentation ("uplift") to the tax credit allocation for ~~an independent film or a~~ relocating television series in its first season in California shall be made by the CFC if the production company pays or incurs qualified wages for services performed by local hire labor outside the Los Angeles zone during the applicable period relating to original photography outside the Los Angeles zone. The foregoing amounts shall be substantiated by documentation in accordance with paragraph (3) below.
- (j) Any Recurring television series shall be given first priority for a credit allocation during an open allocation period in each subsequent year in the life of that series whenever credits are allocated and available within a fiscal year.
- (1) A recurring television series shall submit a new application for each season during any open television project application period as specified by the CFC in its written notification.
    - (A) The application for a season of a recurring television series shall reflect the estimated qualified expenditures of that specific season, however, the tax credit allocation will not exceed the amount allocated in the credit allocation letter(s) issued for that series in the previous fiscal year or the most recent fiscal year in which a credit allocation letter or letters were issued for that series.

(B) If a pick-up order for the season is available at the time of application, it must be submitted.

(C) A recurring television series application must be submitted within eighteen (18) months from the completion of principal photography for the previous season in order to receive a credit allocation guarantee.

(D) If an approved recurring television series under Program 3.0 does not submit an application within 18 months from the date of completion of principal photography of the previous season, the project will no longer receive a credit allocation guarantee and will be ranked with new television projects.

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(a), 17053.98.1(b), 17053.98.1(e), 17053.98.1(g), 17053.98.1(i), 17053.98.1(j), 23698.1(a), 23698.1(b), 23698.1(e), 23698.1(g), 23698.1(i) and 23698.1(j), Revenue and Taxation Code; and Section 14998.1, Government Code.

#### § 5553. Application Process for Tax Credit Allocation.

(j) Phase I: The applicant shall initiate the application process by indicating a production category in accordance with subdivision 5551(b) of this article. The application shall include and the applicant shall provide, as applicable, the following information:

(1) Project details:

(A) Production title and production category.

(B) Greenlight notice date, Preproduction start date, principal photography and motion capture animated project start date, and postproduction end date or delivery date.

(B) For independent films, additionally:

1. Names of all equity investors including, without limitations, all partners (including percentage of ownership).

2. Attest that the applicant entity is not a publicly traded company or owned directly or indirectly more than ~~twenty-five~~thirty percent (~~25~~30%) by a publicly traded company.

(4) The applicant shall provide information about the proposed project as follows:

(A) For television series applicants:

1. If it is a new television series or a miniseries/limited series, indicate if the pilot was initially accepted in a California Film and Television Tax Credit Program, provide the number of episodes in the season, and confirm that each episode has over ~~forty~~twenty (~~40~~20) minutes of running time exclusive of commercials.
2. If it is a pilot, confirm that it has over ~~forty~~twenty (~~40~~20) minutes of running time exclusive of commercials.
3. If it is a recurring television series, provide the number of episodes for the season, the number of episodes for the prior season, and the episode running time exclusive of commercials.
4. If it is a relocating television series, provide the previous location, the number of episodes previously shot, the number of episodes included in this season, and the episode running time. Indicate if any part of the previous season was filmed in California and if so, the number of principal photography days inside California and outside California.

(B) Production schedule: Provide greenlight notice date, start dates of preproduction and principal photography or motion capture date (if applicable for a motion capture animated project), end date of principal photography or motion capture, estimated end date of postproduction or delivery date, and projected or actual release date.

(A) The applicant must provide the following information; for motion capture animated projects, provide motion capture days in place of principal photography days:

1. Number of principal photography days in the Los Angeles (LA) zone.
2. Number of principal photography days in California outside the LA zone.
3. Number of California principal photography days (1. plus 2.).
4. Percentage of principal photography days outside the LA zone (2. divided by 3. x 100).

(i) This is the percentage that determines the number of bonus points a qualified motion picture project is eligible for in accordance with section 5553.1 of this article.

5. Number of principal photography days outside of California.

6. Total number of principal photography days (3. plus 5.).

7. Percentage of California principal photography days (3. divided by 6. x 100).

(C) To be eligible for the ten percent (10%) Local Hire Labor Uplift, independent and non-independent productions, except relocating television series, must:

1. Provide the total budgeted wages for out of zone local hire labor.

2. The sum of the local hire labor wages provided pursuant to clause 1., above, is the sum to which the applicable uplift percentage applies.

(i) Local hire wages must be substantiated in accordance with section 5552(i)(3) of this article.

(D) To be eligible for the five percent (5%) Local Hire Labor Uplift, independent productions and relocating television series must:

1. Provide the total budgeted wages for out of zone local hire labor.

2. The sum of the local hire labor wages provided pursuant to clause 1., above, is the sum to which the applicable uplift percentage applies.

(i) Local hire wages must be substantiated in accordance with section 5552(i)(3) of this article.

(F) Total eligible tax credit allocation amount, excluding uplifts.

1. For independent and non-independent projects, the total qualified expenditures calculated pursuant to subparagraph (E) above shall be multiplied by twenty-three percent (23%).

2. For an independent film or a relocating television series, the total qualified expenditures calculated pursuant to subparagraph (E) above shall be multiplied by twenty-five percent (25%).

(G) Total tax credit uplift amounts, as calculated pursuant to paragraph (7) above, and as applicable to each project.

(H) Total requested tax credit amount including uplifts, combining the sum calculated pursuant to subparagraph (F) and the sum calculated pursuant to subparagraph (G) above.

1. Credit allocation applies only to the first ~~ten~~ twenty million dollars (\$~~10~~20,000,000) of qualified expenditures for independent films and the first ten million dollars (\$10,000,000) of qualified expenditures eligible for uplifts.
2. Credit allocation applies only to the first one hundred twenty million dollars (\$~~100~~120,000,000) of qualified expenditures for non-independent productions and the first one hundred million dollars (\$100,000,000) of qualified expenditures eligible for uplifts.

(10) Acknowledgements and Attestation:

~~(C) A soundstage applicant must attest that they are the qualified taxpayer that is either:~~

- ~~1. More than fifty percent (50%) owned, directly or indirectly, by the same owner or owners of the soundstage or soundstages that is part of a certified studio construction project on which the production is filmed; or,~~
- ~~2. Entered into a contract or lease of ten (10) years or more with the owner or owners of a certified studio construction project on which the production is filmed.~~

(m) An applicant that moves forward to Phase II shall submit the following:

(A) In lieu of a one-line shooting schedule, a television series or an animated project applicant may submit in PDF or equivalent non-proprietary document format a production calendar or a waterfall schedule that includes the start and end dates of the season/project, and if applicable, provide the number of in-state and out-

of-state principal photography days, holidays, and the total number of episodes, and the production calendar must indicate which days are scheduled for filming any outside the Los Angeles zone filming days.

(6) A pick-up order. A pilot, new television series (including a new television series picked up from a pilot previously approved in the tax credit program), or relocating television series, and a large-scale competition show shall submit evidence, in PDF or equivalent non-proprietary document format, that the pilot or series is scheduled for photography when applying for a credit allocation.

(7) Greenlight Notice. Animated projects, both films and television series, shall submit documentation confirming final approval from its funder and/or distribution source authorizing the project to proceed into production phase.

(78) The applicant shall submit one of the following in PDF or equivalent non-proprietary document format:

(A) A narrative statement required pursuant to sections 17053.98.1(g)(2)(A)(vii) and 23698.1(g)(2)(A)(vii) of the Revenue and Taxation Code, if the application is for an independent project or a non-independent project except a relocating television series.

1. The narrative statement required pursuant to sections 17053.98.1(g)(2)(A)(vii) and 23698.1(g)(2)(A)(vii) of the Revenue and Taxation Code shall be deemed as met for a recurring television series that submitted such a statement when it was accepted into the program as a pilot, new, or relocating television series.

(B) A relocating statement, if the application is for a relocating television series, in which the applicant certifies that the credit provided is the primary reason for relocation to California (if applicable). The statement must include confirmation that at least seventy-five percent (75%) of principal photography days of its most recent season was filmed outside of California.

(89) Unlawful harassment policy. The applicant shall submit the company's written policy against unlawful harassment as set forth in section 17053.98.1(g)(2)(A)(viii) and 23698.1(g)(2)(A)(viii) of the Revenue and Taxation Code.

(910) The applicant shall submit its diversity checklist, Form DEIA1 (January 1, 2025), hereby incorporated by reference), required pursuant to sections



17053.1(b)(19)(B)(vi) and 23698.1(b)(19)(B)(vi) of the Revenue and Taxation Code and detailed in section 5553.3(a) of this article.

(4011) If applicable, the applicant shall submit a summary of its voluntary programs as set forth in sections 17053.98.1(g)(2)(A)(ix) and 23698.1(g)(2)(A)(ix) of the Revenue and Taxation Code.

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(k), 17053.98.1(a), 17053.98.1(b), 17053.98.1(d), 17053.98.1(g), 17053.98.1(i), 17053.98.1(j), 23698(k), 23698.1(a), 23698.1(b), 23698.1(d), 23698.1(g), 23698.1(i) and 23698.1(j), Revenue and Taxation Code; and Section 14998.1, Government Code.

#### § 5553.1. Jobs Ratio and Bonus Points.

(a) (1) The base jobs ratio of a project shall be determined by dividing the qualified wages specified in subparagraph (A) below by the estimated jobs ratio tax credit amount calculated pursuant to subparagraph (B) below.

(B) For purposes of the jobs ratio calculation, the estimated jobs ratio tax credit amount shall be calculated as follows:

1. Add the sum of total budgeted qualified wages as stated pursuant to section 5553(j)(9)(A) of this article to the sum of total budgeted qualified non-wage expenditures as stated pursuant to section 5553(j)(9)(B) of this article.
2. Multiply the combined sum of clause 1. above:
  - (i) By 0.2-35 for a independent and non-independent projects except a relocating television series.
  - (ii) By 0.25-40 for an independent film or a relocating television series.
3. The base jobs ratio shall not include any increase to the tax credit based on an uplift or from expenditures relating to a contingency or completion bond.

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(k), 17053.98.1(b), 17053.98.1(d), 17053.98.1(g), 23698(k), 23698.1(b), 23698.1(d) and 23698.1(g), Revenue and Taxation Code; and Section 14998.1, Government Code.

#### § 5553.2. Budget Tags and Qualified Expenditures.

(b) Qualified expenditures shall include qualified wages, as defined in section 17053.98.1(b)(22) and 23698.1(b)(22) of the Revenue and Taxation Code.

(E) Expenses, including wages, paid per person per qualified competition show exclusively for writers, directors, music directors, music composers, music supervisors, executive producers, co-executive producers, show runners, other producers whose duties include developing, shaping, or determining the creative narrative or story structure of the production, and performers, other than background actors with no scripted lines. All other producers and associate producers in roles including, but not limited to, segment, post, and talent, are considered qualified wages.

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(a), 17053.98.1(b), 17053.98.1(g), 23698.1(a), 23698.1(b) and 23698.1(g), Revenue and Taxation Code; and Section 14998.1, Government Code.

#### § 5554. Approved Applicant Responsibilities.

(a) Principal photography, if applicable, in California shall commence no later than one hundred eighty (180) calendar days after the CAL is issued. Qualified motion pictures with a qualified expenditure budget of at least one hundred million dollars (\$100,000,000) must begin principal photography, as defined in section 5550(p)(6), no later than two hundred forty (240) calendar days after CAL issuance.

(b) As soon as feasible, but not less than four (4) weeks prior to the start of principal photography, the production accountant is required to attend an orientation meeting with the Director of the CFC or their designee, along with any or all of the following staff members: a primary producer, production manager or other appropriate personnel as determined by the applicant. For animated projects, the production accountant and the unit production manager/line producer shall attend the orientation meeting within thirty (30) calendar days of issuance of the Credit Allocation Letter.

- (1) Applicants and staff members attached to a recurring television series shall not be required to attend more than one (1) orientation meeting for that recurring television series in the California Film and Television Program 4.0.
- (2) Prior participation in an orientation meeting for the California Soundstage Filming Tax Credit program, the California Film and Television Tax Credit Program 3.0, or previous tax credit programs, shall not satisfy this requirement.

(2) For an approved applicant that opts 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, submit, prior to the start of principal photography, a diversity, equity, inclusion, and accessibility interim assessment, Form DEIA3 (January 1, 2025), hereby incorporated by reference, in accordance with section 5554.2(a) of this article. Animated television and film projects must submit Form DEIA3 within one-hundred twenty (120) calendar days of credit allocation issuance.

(3) On the first day of principal photography, if applicable, and or after a hiatus period, if applicable, submit by email to the CFC the daily call sheet, signed by the production manager or equivalent position, in PDF or equivalent non-proprietary document format.

(4) Each week or as available, submit by email to the CFC the final production reports for each day of principal photography, signed by the production manager or equivalent position, in PDF or equivalent non-proprietary document format.

(5) For animated projects, weekly or as available, submit by email to the CFC a progress report for each week, signed by the production manager or equivalent position, in PDF or equivalent non-proprietary document format.

(65) After issuance of the CAL, if there are any significant changes to the project details provided in the application, such as, but not limited to anticipated changes in the estimated qualified expenditures, change of start date, shooting location, number of television episodes ordered, project title change, change in financing, key personnel, or any other factors that may impact communication with the CFC, accuracy of issued documents, program deadlines, or jobs ratio, the applicant shall notify the CFC of such changes via email to IncentiveProgram4@film.ca.gov.

(76) Participate in providing or supporting career-based learning and training program opportunities known as the Career Readiness Program, in accordance with section 5554.1(b) of this article.

(87) Within sixty (60) calendar days following completion of filming activities, the qualified motion picture safety advisor shall submit to the CFC in PDF or an equivalent non-proprietary document format the final safety evaluation report, as required pursuant to section 9152 of the Labor Code.

(A) If any addendum report(s) are required after the final safety evaluation report, in accordance with subdivision (h) of section 9152 of the Labor Code, such addendum report(s) shall be submitted upon completion.

(B) An applicant of a motion capture animated project, and any animated project that incorporates motion capture in its production, shall submit a final safety evaluation report.

(98) Within sixty (60) calendar days of the creation of the final element, an applicant that opts 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, shall submit to the CFC its final diversity, equity, inclusion, and accessibility assessment, Form DEIA4 (January 1, 2025), hereby incorporated by reference, as described in section 5554.2(b) of this article, and required pursuant to sections 17053.98.1(g)(3)(D)(ii)(III) and 23698.1(g)(D)(3)(ii)(III) of the Revenue and Taxation Code.

Note: Authority cited: Sections 17053.98.1(e) and 23698.1(e), Revenue and Taxation Code; and Section 11152, Government Code. Reference: Sections 17053.95(e), 17053.98(e), 17053.98.1(b), 17053.98.1(d), 17053.98.1(e), 17053.98.1(g), 23695(e), 23698(e), 23698.1(b), 23698.1(d), 23698.1(e) and 23698.1(g), Revenue and Taxation Code; Section 9152, Labor 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, or one-hundred twenty (120) calendar days from credit allocation issuance date for animated projects, 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.

- (3) Failure to submit Form DEIA3 prior to start of principal photography, or one-hundred twenty (120) calendar days from credit allocation issuance date for animated projects, 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.

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.

#### § 5555. Credit Certificate Issuance.

- (b) The applicant shall be required to submit the following documents upon completion of the qualified motion picture:

(1) Proof of copyright registration of the screenplay, teleplay, motion picture, television series or pilot.

(5) Expenditure summary report information, as set forth in subparagraphs (A) through (K) of this paragraph, provided to the CFC through the online application portal

accessible on the website [www.film.ca.gov](http://www.film.ca.gov) or, if necessary prior to portal completion or due to technical issues, in PDF or equivalent non-proprietary document format.

(A) Applicant Information, updated and current, including:

1. Applicant entity business name.
2. Type of business entity.
3. Type of taxpayer ID and taxpayer ID number.
4. Up to date address(es), phone number(s), contact person(s) and their title(s).
5. Parent company entity, if applicable.
6. CPA name.
7. Copyright registration number.
8. Seller's permit number, if applicable.
9. Payroll service provider.

(B) Additional contact information, including:

1. Up to date parent company contact information, if applicable.
2. CPA company name and contact information.

(C) Project Information:

1. Actual start date of preproduction.
2. Actual start date of principal photography or start of motion capture.
3. Start and return-date(s) of any hiatus period(s), if applicable.
4. Actual end-date of principal photography or end of motion capture.
5. Actual end-date of postproduction (creation of final element).
6. Projected or actual release date, if known.
7. For a television series, actual number of completed episodes.

(D) Information about production shooting days and locations, if applicable:

1. Production shooting days inside the Los Angeles zone.
2. Production shooting days outside the Los Angeles zone.
3. Information on each country, state, or county outside the Los Angeles zone where the project filmed, with a Local Community Expenditure Report, Form LCER4 (January 1, 2025), hereby incorporated by reference, filled out for each California county outside of LA County.

4. For a soundstage applicant, total actual number of stage shooting days and number of actual stage shooting days on a certified or once-certified soundstage.

(l) Uplifts, as confirmed in the AUP report required pursuant to paragraph (6) of this section:

1. For non-independent productions, except relocating television series, information relating to the five percent (5%) Out of Zone Uplift:
  - (i) The verified total out of zone wages, excluding local hire labor, incurred during the applicable period.
  - (ii) The verified total out of zone non-wages, excluding the total consumables, incurred during the applicable period.
  - (iii) The verified total non-wage expenditures entirely consumed outside the Los Angeles Zone during the applicable period.
  - (iv) The combined sum of the qualified out of zone expenditures provided pursuant to subclauses (i), (ii), and (iii) above, is the sum to which the uplift percentage applies. Multiply this amount by .05.
  - (v) The aggregate uplift amount of the combined sums pursuant to clauses 1. and 2. of this subparagraph cannot exceed five percent (5%) of the non-independent production's overall qualified expenditures.
2. For non-independent productions, except relocating television series, information relating to the five percent (5%) California Visual Effects (VFX) Uplift:
  - (i) For a qualified motion picture project that fulfills the uplift threshold detailed in section 5553(j)(7)(B)1. of this article, provide the total actual dollar amount of California VFX expenditures.
  - (ii) The total dollar amount of California VFX expenditures provided pursuant to subclause (i), above, is the sum to which the uplift percentage applies. Multiply this amount by .05.
  - (iii) The aggregate uplift amount of the combined sums pursuant to clauses 1. and 2. of this subparagraph cannot exceed five percent (5%) of the non-independent production's overall qualified expenditures.
3. For independent and non-independent productions, except relocating television series, information relating to ten percent (10%) Local Hire Labor Uplift:
  - (i) Provide the verified total of out of zone local hire labor wages.

(ii) The sum of the local hire labor wages provided pursuant to subclause (i), above, is the sum to which the applicable uplift percentage applies. Multiply this sum by .10.

(iii) Local hire wages must be substantiated in accordance with section 5552(i)(3) of this article.

4. For ~~independent productions and~~ relocating television series, information relating to the five percent (5%) Local Hire Labor Uplift:

(i) Provide the verified total of out of zone local hire labor wages.

(ii) The sum of the local hire labor wages provided pursuant to subclause (i), above, is the sum to which the applicable uplift percentage applies. Multiply this sum by .05.

(iii) Local hire wages must be substantiated in accordance with section 5552(i)(3) of this article.

5. Total additional tax credit:

(i) For non-independent productions, excluding relocating television series, calculate the total uplift amount by adding ~~the sums of~~ 1.(iv) + 2.(ii) + 3.(ii) above.

(ii) For independent productions the total additional tax credit is 3.(ii) above.

(iii) For ~~independent productions and~~ relocating television series the total additional tax credit is ~~the sum of~~ 4.(ii) above.

...  
Note: Authority cited: Sections 17053.98.1(e), 17053.98.1(j), 23698.1(e) and 23698.1(j), Revenue and Taxation Code; and Section 11152, Government Code. Reference: Sections 17053.98(k), 17053.98.1(a), 17053.98.1(b), 17053.98.1(c), 17053.98.1(d), 17053.98.1(e), 17053.98.1(f), 17053.98.1(g), 17053.98.1(k), 23698(k), 23698.1(a), 23698.1(b), 23698.1(c), 23698.1(d), 23698.1(e), 23698.1(f), 23698.1(g) and 23698.1(k), Revenue and Taxation Code; Section 9152, Labor Code; and Section 14998.1, Government Code.