FILM TAX CREDIT - QUARTERLY REPORT
CALENDAR YEAR 2014: FOURTH QUARTER
DECEMBER 31, 2014

Empire State Development (ESD) oversees administration of the film production and post-production tax credits.

This report reflects program activity during the fourth quarter of 2014. The information presented includes projected spending, hires and estimated credits for film and post-production projects deemed eligible to participate in the Program, and, pursuant to new reporting requirements, actual spending, hires and credits issued to projects that have been completed and audited.

INITIAL APPLICATIONS - FILM PRODUCTION CREDIT

During the fourth quarter of 2014, the Film Tax Credit Program deemed 29 initial applications eligible to submit a final application for credits. The data in this report is based on those projects, which include 17 films, 2 pilots, and 10 series totaling nearly $58MM in credits.

ESD accepts initial applications on a rolling basis and reviews them when deemed complete. A preliminary eligibility determination is made for all applications that meet the criteria set forth in statute and regulations and applicants are invited to submit a final application once projects are finished. This report reflects new applications submitted during October, November, and December, 2014.

INITIAL APPLICATIONS BY MONTH

- Estimated tax credits in October 2014: **$29,375,633**
- Estimated tax credits in November 2014: **$10,533,265**
- Estimated tax credits in December 2014: **$17,868,220**

INITIAL APPLICATION BY TAX CREDIT LEVEL

Once a project is completed, a final application approved and credits issued, the timing of credit claims are based on the project completion date, the allocation year and the size of the credit allotted. The first year an approved applicant can claim a credit is the taxable year in which the project is completed or the year following the allocation year, whichever is later. Projects issued less than $1 million can claim the entire credit in the first year. Credits in the range of $1 million to $5 million can claim the credit over two years (50% each year); and, credits greater

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than $5 million must be claimed across three years (33% each year). Below is a summary of the applications received this quarter based on the amount of credit.

- Number of Projects with estimated tax credits; less than $1 million: 18 projects/ **$3,935,238**
- Number of Projects with estimated tax credits; $1 million to $5 million: 7 projects/**$15,301,930**
- Number of Projects with estimated tax credits; above $5 million: 4 projects/**$38,539,950**

The projected completion dates for these applications fall between October 2014 and December 2015.

ESTIMATED EMPLOYEES AND PROJECTED BUDGETS

Chart A shows the estimated number of employees, qualified costs and total New York budget per project for the projects approved this quarter. The figures shown in the column for number of employees are head-count numbers, not full-time equivalents. Each job is weighed equally -- whether it is one extra paid for one day of work or a security manager working 50 hours weekly for a full month of production activity.

INITIAL APPLICATIONS - POST-PRODUCTION CREDIT

During the fourth quarter of 2014, the Film Tax Credit Program deemed 18 initial applications for the post-production tax credit eligible to submit a final application for credits. Chart B shows the estimated number of employees, qualified costs and total New York budget for each of the 18 post-production projects approved this quarter.

FINAL APPLICATIONS – CREDITS ISSUED

Statutory provisions enacted in 2013 require that additional information be disclosed about the name of the company receiving the film and post production tax credit, the amount of tax credit issued, and the credit eligible hours and wages for each project issued a credit. <u>This new reporting requirement is applicable to film companies that submitted an initial application on or after March 28, 2013 AND have since completed their projects and were issued tax credits</u>.

During the fourth quarter of 2014, 14 film projects were issued credits that are subject to this new requirement. Chart C shows the project name, the company issued the credit, the qualified costs, the total budget, the total number of employees hired, the credit eligible hours and credit eligible wages, and the credit issued amount for each of these 14 projects.

- The 10 film projects issued credits during this reporting period spent $125.4M in NYS, hired 11,788 production workers and were issued credits of $27.3M.

- The four post production projects issued credits during this period spent $3.6M in NYS, hired 15 production workers and were issued credits of $957,302.

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NYS FILM TAX CREDIT PROGRAM			
CHART A			
Projects Submitted During 4th Quarter 2014			
ID	Number of Employees	Qualified Costs	Total NY Budget
1273	2,374	$32,705,779	$54,595,802
1275	160	$721,674	$932,922
1276	2,632	$11,384,785	$16,585,820
1277	22	$34,500	$36,000
1278	77	$621,768	$978,642
1279	26	$2,815,609	$3,117,625
1280	132	$1,969,800	$2,997,820
1281	649	$5,024,289	$6,348,013
1282	89	$97,464	$135,503
1283	272	$1,255,392	$2,040,720
1284	184	$1,499,002	$2,048,089
1285	1,248	$7,345,950	$10,332,286
1286	33	$119,763	$194,512
1287	441	$5,172,454	$10,420,959
1288	11	$59,495	$126,756
1289	28	$90,068	$112,323
1290	2,297	$24,255,840	$53,777,020
1291	110	$2,753,282	$4,579,499
1292	1,010	$7,445,544	$13,194,213
1293	41	$137,080	$145,580
1294	269	$429,069	$527,644
1295	49	$208,246	$311,075
1296	38	$99,276	$109,376
1297	1,046	$6,060,509	$10,250,000
1298	35	$45,860	$76,169
1299	346	$20,127,495	$25,974,484
1300	2,336	$29,487,367	$37,776,475
1301	105	$160,112	$265,251
1302	27	$3,371,872	$4,568,545
	16,087	**$ 165,499,344**	**$ 262,559,123**

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POST PRODUCTION TAX CREDIT PROGRAM			
Chart B			
Projects Submitted During 4th Quarter 2014			
ID	Employees	Qualified Costs	Total Spend in NYS
179	7	$87,117	$87,117
180	14	$789,915	$1,721,722
182	23	$3,475,905	$3,475,905
183	49	$3,062,313	$3,658,667
184	8	$157,813	$162,013
185	9	$289,040	$488,650
186	12	$511,843	$520,045
187	4	$596,772	$596,772
188	60	$2,969,134	$3,410,676
189	15	$289,627	$296,814
190		$157,534	$157,534
191	14	$227,288	$234,196
192	3	$135,710	$135,710
193	12	$1,409,805	$1,600,934
194	10	$58,860	$58,860
195		$300,000	$300,000
196	18	$2,129,294	$2,270,846
198	7	$178,225	$188,225
	265	**$16,826,195**	**$19,364,686**

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CHART C

Film Tax Credit Program - Credits Issued

Project	Studio	Company	State of incorporation	County	Qualified costs	NYS spend	Total production employees	Credit eligible hours	Credit eligible wages	Credit issued amount
Affair Pilot	Showtime	Possible Productions, Inc.	DE		$5,992,053	$7,184,763	481	66,465	$3,063,004	$1,797,616
Happyish Pilot	Showtime	Possible Productions Inc.	DE		$4,323,530	$5,512,454	799	54,302	$2,278,115	$1,297,059
People in New Jersey Pilot	HBO	Springfield Avenue Productions, LLC	DE		$3,339,713	$4,302,722	565	42,149	$1,791,792	$1,001,914
Money Pilot HBO	HBO	Hacker Productions, LLC	DE		$7,616,983	$9,415,625	1,279	90,435	$3,603,111	$2,285,095
Bad Advice From My Brother-Pilot	Viacom/ Comedy Central	Central Productions, Inc.	NY	NY	$691,544	$956,411	231	9,766	$389,822	$207,463
Legion of Goons Pilot	Viacom/ Comedy Central	Central Productions Inc.	NY	NY	$438,900	$510,780	139	7,540	$239,304	$131,670
Babylon Fields Pilot 2	Fox	Twentieth Century Fox Film Corporation	DE		$7,937,584	$9,255,867	1,251	86,367	$3,754,959	$2,381,275
Blanco Pilot	Fox	TVM Productions Inc.	DE		$6,031,190	$6,916,992	950	73,620	$2,978,954	$1,809,357
Nurse Jackie Season 6	Lionsgate TV	Nurse Productions, Inc.	CA		$21,879,688	$37,264,706	2,689	216,170	$9,385,489	$6,563,906
Orange Is The New Black Season 2	Netflix	Lady Prison Productions Inc.	CA		$32,997,218	$44,127,724	3,404	376,433	$15,555,008	$9,899,165
Total						**$125,448,044**	**11,788**	**1,023,247**	**$43,039,558**	**$27,374,520**

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CHART C Cont.										
Post Production Tax Credit Program - Credits Issued										
Project	**Studio**	**Company**	**State of incorporation**	**County**	**Qualified costs**	**NYS spend**	**Total production employees**	**Credit eligible hours**	**Credit eligible wages**	**Credit issued amount**
Moving Mountains		Sunshine Films LLC	WV		$21,700	$21,700	2	540	$23,400	$6,510
Effie Gray		Effie Films, LLC	NY	NY	$1,369,092	$1,789,259	13	6,883	$805,777	$410,728
Judge, The	WB	Warner Bros. Pictures	DE		$372,092	$382,092	-	0	$0	$111,628
Focus	Warner Brothers	Chime Productions LLC	LA		$1,428,120	$1,428,120	-	0	$0	$428,436
Total						**$3,621,171**	**15**	**7,423**	**$829,177**	**$957,302**

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