



Empire State Development

**FILM TAX CREDIT – QUARTERLY REPORT
CALENDAR YEAR 2015: FIRST QUARTER
MARCH 31, 2015**

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

This report reflects program activity during this quarter. 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.

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 initial applications submitted during January, February and March, 2015.

Production companies may be eligible to receive a fully refundable base line credit of 30 percent of qualified production costs and post-production costs incurred in New York State. Additional incentives may be available in each of the tax credit Programs and subject to additional requirements.

INITIAL APPLICATIONS BY TAX CREDIT LEVEL

The tax credit is claimed pursuant to a three tiered schedule. Projects issued less than \$1 million in credits can claim the entire credit in the first year. Projects with credits issued of more than \$1 million but less than \$5 million can claim the credit over two years (50% each year); and, projects issued credits of \$5 million or more can claim the credit over three years (33% each year). Below is a summary of the initial applications received this quarter based on the amount of credits.

- Number of Projects, estimated credits of less than \$1 million: 38 projects/ \$8,309,008
- Number of Projects, estimated credits of \$1 million up to \$5 million: 13 projects/\$25,318,047
- Number of Projects, estimated credits of \$5 million or more: 6 projects/\$79,477,641

For film production projects, once a project is completed and a final application is submitted and approved, a tax credit certificate is issued. The timing of credit claims is based on: (1) the project completion date, (2) the allocation year and (3) 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.

For post-production projects, the credit shall be allowed for the taxable year in which the production of such qualified film is completed.

The projected completion dates for the initial applications submitted this quarter fall between February 2015 and April 2016.

INITIAL APPLICATIONS – FILM PRODUCTION CREDIT

During the first quarter of 2015, the Film Tax Credit Program deemed 38 initial applications eligible to submit a final application for credits. The data in this report is based on those projects, which include 17 films, 10 pilots, and 11 series totaling over \$110MM in credits.

INITIAL APPLICATIONS – FILM PRODUCTION CREDIT – BY MONTH

- January 2015, 12 initial applications received, estimated tax credits: \$71,533,391
- February 2015, 9 initial applications received. estimated tax credits: \$5,349,425
- March 2015, 17 initial applications received, estimated tax credits: \$33,552,125

Chart A shows the estimated number of employees, qualified costs and total New York budget per project for the initial applications approved this quarter. The New York budget represents the estimated spending in New York State. The figures shown in the column for number of employees are head-count numbers, not full-time equivalents.

NYS FILM TAX CREDIT PROGRAM			
CHART A			
Initial Applications Submitted During 1st Quarter 2015			
ID	Number of Employees	Qualified Costs	Total New York Budget
1304	66	\$168,200	\$202,000
1305	1,325	\$22,684,864	\$34,289,377
1306	708	\$4,553,577	\$6,704,303

ID	Number of Employees	Qualified Costs	Total New York Budget
1307	724	\$2,624,170	\$3,615,345
1308	3,126	\$79,893,476	\$99,250,838
1309	569	\$3,979,637	\$8,777,803
1310	931	\$5,717,668	\$8,235,665
1311	1,287	\$9,466,251	\$10,886,919
1312	1,346	\$5,640,840	\$7,105,290
1313	3,896	\$43,245,254	\$52,337,830
1314	325	\$2,812,998	\$3,959,386
1315	3,066	\$57,657,700	\$74,407,620
1316	332	\$946,064	\$1,342,930
1317	47	\$106,749	\$170,023
1318	503	\$4,540,332	\$5,988,365
1319	60	\$231,196	\$297,598
1320	224	\$2,467,512	\$4,702,634
1321	210	\$1,018,681	\$2,138,522
1322	472	\$5,227,618	\$6,184,316
1323	30	\$68,950	\$134,460
1325	374	\$3,225,515	\$4,305,033
1327	808	\$5,739,374	\$6,747,137
1328	36	\$76,755	\$117,191
1329	1,047	\$5,228,377	\$6,155,683
1330	1,909	\$12,089,960	\$18,274,124
1331	1,709	\$16,934,709	\$22,871,947
1332	1,150	\$7,208,688	\$8,685,933
1333	1,136	\$8,112,028	\$9,129,582
1334	838	\$6,889,142	\$7,963,167
1335	36	\$352,828	\$449,995
1337	52	\$177,618	\$239,972
1338	33	\$108,735	\$123,120
1339	33	\$111,647	\$125,550
1340	1,415	\$44,509,468	\$58,774,700
1341	378	\$2,003,918	\$2,499,629
1342	233	\$1,902,491	\$2,572,716
1347	169	\$371,106	\$530,001
1361	7	\$22,475	\$23,575
Total	30,610	\$368,116,571	\$480,320,279

INITIAL APPLICATIONS – POST-PRODUCTION CREDIT

During the first quarter of 2015, the Film Tax Credit Program deemed 19 initial applications for the post-production tax credit eligible to submit a final application for credits.

INITIAL APPLICATIONS – POST-PRODUCTION CREDIT – BY MONTH

- January 2015, 9 initial applications received, estimated tax credits: \$1,334,010
- February 2015, 4 initial applications received. estimated tax credits: \$410,552
- March 2015, 6 initial applications received, estimated tax credits: \$925,193

Chart B shows the estimated number of employees, qualified costs and total New York budget for each of the 19 post-production projects approved this quarter.

Post-Production Tax Credit Program			
Chart B			
Initial Applications Submitted During 1st Quarter 2015			
ID	Employees	Qualified Costs	Total New York Budget
197	1	\$100,000	\$100,000
199	0	\$86,600	\$86,600
200	13	\$197,721	\$278,579
201	15	\$566,970	\$627,970
202	3	\$67,000	\$67,000
204	0	\$7,413	\$7,413
205	21	\$1,249,426	\$1,727,344
206	0	\$120,000	\$120,000
207	8	\$2,014,723	\$2,300,323
208	4	\$156,850	\$191,850
209	6	\$85,250	\$90,250
210	9	\$234,680	\$237,680
212	20	\$949,455	\$1,000,555
213	8	\$31,750	\$40,250
214	0	\$36,625	\$36,625
215	0	\$114,222	\$114,222
216	5	\$114,000	\$124,000
218	7	\$1,162,445	\$1,162,445
219	12	\$1,624,934	\$1,964,553
Total	132	\$8,920,064	\$10,277,659

FINAL APPLICATIONS – CREDITS ISSUED – FILM PRODUCTION AND POST-PRODUCTION

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. 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.

During the first quarter of 2015, 6 film projects and 2 post-production projects were issued credits that are subject to this new requirement. Chart C shows the project name, the studio when applicable, the company that was issued the credit, the state where the company is incorporated, the county when applicable, the qualified costs, the total spending in New York State, the total number of employees hired, the credit eligible hours and credit eligible wages, and the credit issued amount for each of these 8 projects.

- The 6 film projects issued credits during this reporting period spent \$143.4MM in New York State, hired 9,507 production workers and were issued credits of \$33.6MM.
- The 2 post-production projects issued credits during this period spent \$3.6MM in New York State, hired 53 production workers and were issued credits of \$995,679.

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
Normal Heart	HBO	Archover Prodns LLC	DE		\$14,655,891	\$18,869,454	2,116	183,221	\$7,150,230	\$4,396,767
DeadBeat - Season 1		Dakota Pictures, Inc.	CA		\$2,957,558	\$4,502,493	462	44,495	\$1,531,827	\$887,267
Americans Season 2	FOX	TVM Productions, Inc	DE		\$35,118,981	\$44,797,141	2,406	377,513	\$17,103,300	\$10,535,964
Romeo and Juliet on Broadway		R&J Digital Productions, LLC	NY	NY	\$563,035	\$1,257,358	116	1,676	\$314,747	\$168,911
Knick Season 1 (13/14)		Shadow Infirmary Productions LLC	DE		\$52,247,325	\$65,510,361	3,014	511,604	\$20,573,790	\$15,674,198
Leftovers Pilot	WB	Fotokem	DE		\$6,683,238	\$8,433,643	1,393	84,715	\$3,088,809	\$2,004,971
Total					\$112,226,028	\$143,370,450	9,507	1,203,224	\$49,762,703	\$33,668,078

CHART C Continued

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
Red Road, The	Sundance Channel	Kopus Productions LLC	DE		\$1,161,300	\$1,358,019	34	9,213	\$394,169	\$348,390
Magic in the Moonlight		Perdido Productions Inc.	NY	NY	\$2,157,632	\$2,259,655	19	10,561	\$803,044	\$647,289
Total					\$3,318,932	\$3,617,674	53	19,774	\$1,197,213	\$995,679