

New York State
Department of
Taxation and Finance



Report on the Empire State Film Production Tax Credit

October 2009

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Introduction

Chapter 60 of the Laws of 2004 created the Empire State film production credit to promote film and television production in New York State. The credit is available under Article 9-A, the Franchise Tax on Business Corporations, and Article 22, the Personal Income Tax. As enacted, the credit was limited to \$25 million annually and was scheduled to expire on August 20, 2008. The credit has since been amended three times.

Chapters 61 and 62 of the Laws of 2006 increased the annual credit cap to \$60 million and extended the sunset through December 31, 2011.

Chapter 57 of the Laws of 2008 made several significant changes to the program. It increased the credit rate from 10 percent to 30 percent of qualified production costs. It also shortened the credit refund period from 50 percent over two years to 100 percent in one year. Finally, the total amount of credit that can be awarded was increased from \$60 million annually in 2008 through 2011 to \$65 million in 2008, \$75 million in 2009, \$85 million in 2010, \$90 million in 2011 and 2012, and \$110 million in 2013.

Chapter 57 of the Laws of 2009 authorized an additional \$350 million allocation for 2009. It also required the use of the credit to be spread across several years, depending on the size of the credit:

If the amount of the credit is:	it is claimed:
under \$1 million	in the taxable year in which the film is completed
at least \$1 million but less than \$5 million	over a two year period, with half claimed each year
at least \$5 million	over a three year period, with one-third claimed each year.

The credit is administered by the Governor’s Office for Motion Picture and Television Development (MP/TV), which is the entity also responsible for monitoring the status of the credit cap.

Chapter 60 of the Laws of 2004 also mandated an annual report evaluating the effectiveness of the tax credit in stimulating the growth of the film industry in the State. This report was prepared by the Office of Tax Policy Analysis (OTPA) and MP/TV using data from applications filed with MP/TV for allocation of film production credits.

Credit Eligibility and Calculation

A taxpayer that is a qualified film production company subject to tax under Articles 9-A or 22 can apply to MP/TV to receive the refundable, 30 percent Empire State Film Production Credit.

To become a qualified production company, 75 percent of film production facility expenditures must be spent at a qualified film production facility, defined as a facility in New York in which television shows and films are or are intended to be regularly produced, and which contains at least one sound stage of at least 7,000 square feet.

Productions that qualify for the credit are feature length films or television films, pilots, or series. Documentaries, news or current affairs programs, interview or talk shows, instructional videos, sport shows or events, daytime soap operas, reality programs, commercials, and music videos do not qualify for the credit.

Taxpayers meeting the test above can qualify for a credit of 30 percent of qualified costs incurred at the facility. Qualified costs are costs for tangible property or services used or performed within New York directly and predominantly in the production (including post production) of a qualified film. Qualified production costs generally include most below the line items such as costs of technical and crew production, expenditures for facilities, props, makeup, wardrobe, set construction, and background talent, and exclude costs of stories and scripts, and wages for writers, directors, producers, and performers (other than extras without spoken lines).

Above the line and *below the line* are terms of art in the film and television industry referring to divisions of categories or types of spending on the budget form. *Above the line* typically means fees and salaries for the creative team (director, producers, actors, writers) and the cost of purchase of the story and/or script, while *below the line* refers to all the other the “hard” costs of production (crew salaries, equipment and facilities rental, film and lab costs, construction, materials, props, makeup, wardrobe, locations, editing, and catering -- essentially everything else involved in production of the film).

If a production has met the 75 percent test for production facility expenditures as described above, it may also qualify for the tax credit based upon qualified expenditures outside the qualified facility that are related to pre-production, location production, and post production in New York in one of two possible ways:

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- 1) if the qualified New York expenditures related to the qualified production facility total \$3 million or more, then all qualified expenditures related to pre-production, location, and post production in New York State qualify for the credit;
 - 2) if expenditures at the qualified production facility are less than \$3 million, the production must shoot at least 75 percent of all its location days in New York State in order to include expenditures incurred in New York State outside the qualified production facility on pre-production, production, and post production. The 75 percent threshold applies to a percent of the total location days only, not to the total shoot days. Shooting days spent at facilities are not used to calculate this threshold; the test is the ratio of shooting days spent on locations anywhere in New York State compared to shooting days on locations outside of New York State.

Credit Application and Allocation

The Governor's Office for Motion Picture and Television Development issues credits up to the amount of the annual aggregate credit allocation authorized by law for a particular year. The credit is offered on a first come, first serve basis. Applicants "rollover" or move into the next year's funding cycle if the credit limit is reached. Applications for the credit must be submitted to MP/TV not more than 180 days prior to the start of principal and ongoing photography.

To apply for the credit, a production company must first submit an initial application that leads to conditional approval of the project. Applicants provide data, such as the type of production, production schedule, and location information, and projected expenditures that help MP/TV determine if a given production is eligible and qualified to participate in some aspect of the tax incentive program. Projections are provided for items such as estimated total budget, expenditures at a qualifying production facility, estimates of shooting days and expenditures in New York, and estimates of shooting days and expenditures outside of New York.

After reviewing the information provided in the initial application, MP/TV makes a preliminary determination whether to certify the applicant for conditional eligibility in the program.

After the production is complete, the applicant submits a final application to MP/TV detailing actual expenditures both within and without New York demonstrating that the required thresholds were met, as well as additional supporting data, such as a payroll expenditure report, a complete cast and crew list, and daily production reports. Based on a review of these documents, MP/TV determines the amount of credit earned by the applicant and provides a tax credit certificate specifying the amount of tax credit allocated.

The applicant includes this credit allocation certificate with its tax return for the year in which the credit is allowed. The credit is applied to the New York State tax liability of the applicant that owns or controls the applicable qualified film for the year in which the production was completed. If the taxpayer uses the credit to extinguish its tax liability but still has credit remaining, it may request the excess credit as a refund.

Legislative Mandate

Section 8 of Part P of Chapter 60 of the Laws of 2004 requires the Commissioner of Taxation and Finance to conduct a study regarding the Empire State Film Production Credit, in conjunction with the Director of the Governor's Office for Motion Picture and Television Development. The legislative mandate follows:

The commissioner of the department of taxation and finance, in conjunction with the director of the governor's office for motion picture and television development, shall submit to the governor, the temporary president of the senate, and the speaker of the assembly, an annual report to be submitted in February of each year evaluating the effectiveness of the film production tax credit provided by this act in stimulating the growth of the film industry in the state. Such report shall include, but not be limited to, in total and by qualified film, the number of qualified films, the qualified production costs, the production costs, the qualified film production facilities, and the credit amounts claimed by each qualified film, as well as the impact on employment and the economy of the state and city of New York. Such report shall be based on data available from the application filed with the governor's office for motion picture and television development for allocation of film production credits. Notwithstanding any provision of law to the contrary, the information contained in the report shall be public information. The report may also include any recommendations for changes in the calculation or administration of the credit, and any other recommendation of the commissioner regarding continuing modification, or repeal of such act, and such other information regarding the act as the commissioner may feel useful and appropriate.

Statistical Data

Data Considerations

The following tables present information for taxpayers claiming the Empire State Film Production Credit from the 2004 through 2009 allocation pools. The primary source of the data is forms and applications filed with the Office of Motion Picture and Television Development (MP/TV). MP/TV analyzes the submitted materials and determines the amount of credit for which each applicant is eligible. To protect proprietary and sensitive information, productions are identified by a project number instead of by name.

The credit amounts are the amounts approved by MP/TV after their review and adjustments for disallowed costs. MP/TV issues a certificate to the applicant stating the amount of credit it may claim on its tax return. The credit amounts reported here are amounts calculated by MP/TV and issued on the certificate.

These data are not tax data. They do not reflect amounts actually used to reduce liability or requested as a refund. Such information will appear on tax returns that will not be final and verified for several years due to taxpayer extensions and varying fiscal years.

2005 is the most recent tax year for which there is final data for both Personal Income and Corporate Franchise Tax. According to tax returns filed with the Tax Department, taxpayers used and refunded a total of \$14.6 million in credit in 2005. Amounts reported on tax returns are subject to Tax Department audit and adjustment for three years after the filing date.

The MP/TV tables also present data on project employment and shooting days as a way of illustrating the economic impact of the tax credit. Employment figures include all individuals who worked directly on the production, regardless of duration or function. Therefore, they would include individuals employed part-time, extras, and above-the-line talent. Above-the-line costs do not qualify for the credit, however.

Description of Tables	Year	The year of the allocation pool from which the production was awarded credit
	Total Qualified Costs	The total of all costs approved as qualified by MP/TV for the tax credit after review and revision of the Form E submitted
	Credit Amount	The amount of the tax credit ultimately approved as credit by MP/TV after review and revision of final application
	Cumulative Total Credit \$\$	The cumulative total of all tax credits approved by MP/TV; this is essential for monitoring the status of the credit relative to the aggregate cap
	Total Production Hires	The total of all employees who worked on the production in New York State as listed on Form D: Section 5-2-a
	Stage Days NYC	Days cameras roll on principal photography at a qualified production facility located within the five boroughs of New York City
	Stage Days NYS	Days cameras roll on principal photography at a qualified production facility located within New York State but <i>outside</i> New York City
	Stage Days Outside NYS	Days cameras roll on principal photography at a production facility located outside New York State
	Total Stage Days	Total of all days cameras roll on principal photography at a production facility anywhere
	Location Days NYC	Days cameras roll on principal photography within the five boroughs of New York City <i>not</i> at a qualified production facility

Location Days NYS	Days cameras roll on principal photography within New York State <i>outside</i> New York City and <i>not</i> at a qualified production facility
Total Location Days NYC & NYS	Total all days cameras roll on principal photography within New York State (including New York City) <i>not</i> at a qualified production facility
Location Days Outside NYS	Days cameras roll on principal photography on any location outside New York State <i>not</i> at a production facility
Total Location Days	Total all days cameras roll on principal photography within and without New York State (including New York City) <i>not</i> at a production facility
Total Shoot Days	Total all days cameras roll on principal photography anywhere, within and without New York State (including New York City), including days within and without a production facility

**Table 1: List of Credit-Approved Projects, Credit Amounts, and Employment:
August 2004 through December 31, 2008**

<i>PROJECT</i>	<i>YEAR</i>	<i>PROJECT TYPE</i>	<i>TOTAL NY SPEND</i>	<i>TOTAL QUALIFIED COSTS</i>	<i>CREDIT AMOUNT</i>	<i>CUMULATIVE TOTAL CREDIT \$</i>	<i>TOTAL PRODUCTION HIRES</i>
Project 1	2004	Feature Film	\$7,512,851	\$4,691,932	\$469,193	\$469,193	397
Project 2	2004	TV Series	\$29,895,348	\$13,243,447	\$1,324,345	\$1,793,538	217
Project 3	2004	TV Series	\$28,923,069	\$19,753,552	\$1,975,355	\$3,768,893	1,816
Project 4	2004	TV Series	\$5,430,552	\$3,697,024	\$369,702	\$4,138,595	951
Project 5	2004	Feature Film	\$7,093,466	\$5,679,201	\$567,920	\$4,706,515	887
Project 6	2005	TV Pilot	\$4,614,276	\$3,800,670	\$380,067	\$5,086,582	806
Project 7	2005	TV Pilot	\$3,838,248	\$2,771,301	\$277,130	\$5,363,712	694
Project 8	2005	TV Pilot	\$4,804,483	\$3,675,025	\$367,503	\$5,731,215	585
Project 9	2005	TV Pilot	\$3,406,562	\$2,244,026	\$224,403	\$5,955,618	551
Project 10	2004	TV Series	\$41,135,930	\$25,876,168	\$2,587,617	\$8,543,235	1,294
Project 11	2005	Feature Film	\$30,880,630	\$16,003,351	\$1,600,335	\$10,143,570	2,356
Project 12	2004	TV Series	\$54,809,116	\$29,601,097	\$2,960,110	\$13,103,680	5,025
Project 13	2004	TV Series	\$49,367,671	\$27,266,874	\$2,726,687	\$15,830,367	2,416
Project 14	2006	Feature Film	\$1,309,029	\$868,286	\$86,828	\$15,917,195	277
Project 15	2004	Feature Film	\$50,959,137	\$33,283,015	\$3,328,301	\$19,245,496	2,057
Project 16	2004	Feature Film	\$15,703,598	\$8,718,876	\$871,888	\$20,117,384	1,331
Project 17	2005	TV Pilot	\$4,464,707	\$3,466,497	\$346,650	\$20,464,034	851
Project 18	2004	TV Series	\$22,090,130	\$14,822,651	\$1,482,265	\$21,946,299	717
Project 19	2005	TV Series	\$4,364,517	\$3,509,648	\$350,965	\$22,297,264	175
Project 20	2006	Feature Film	\$2,176,543	\$1,531,395	\$153,139	\$22,450,403	393
Project 21	2004	TV Series	\$23,495,464	\$14,716,553	\$1,471,655	\$23,922,058	802
Project 22	2004	Feature Film	\$5,466,445	\$4,353,893	\$435,389	\$24,357,447	1,148
Project 23	2005	TV Series	\$15,878,725	\$11,094,606	\$1,109,461	\$25,466,908	2,041
Project 24	2006	Feature Film	\$2,326,814	\$1,787,911	\$178,791	\$25,645,699	421
Project 25	2005	Feature Film	\$1,863,382	\$1,314,669	\$131,467	\$25,777,166	487
Project 26	2005	TV Pilot	\$3,956,275	\$2,832,113	\$283,211	\$26,060,377	803
Project 27	2005	Feature Film	\$40,554,639	\$19,591,891	\$1,959,189	\$28,019,566	2,150
Project 28	2006	TV Series	\$15,469,462	\$10,353,238	\$1,035,324	\$29,054,890	1,612
Project 29	2006	TV Pilot	\$7,444,652	\$6,170,624	\$617,062	\$29,671,952	798
Project 30	2005	Feature Film	\$7,832,501	\$5,781,632	\$578,163	\$30,250,115	704
Project 31	2006	TV Pilot	\$4,708,584	\$3,790,888	\$379,088	\$30,629,203	695
Project 32	2006	TV Pilot	\$5,259,257	\$4,157,437	\$415,744	\$31,044,947	714
Project 33	2005	TV Series	\$51,060,164	\$34,301,256	\$3,430,125	\$34,475,072	2,556
Project 34	2006	TV Series	\$53,983,863	\$32,795,975	\$3,279,597	\$37,754,669	3,830
Project 35	2006	TV Series	\$28,729,421	\$12,955,966	\$1,295,596	\$39,050,265	982
Project 36	2006	TV Pilot	\$4,916,972	\$3,245,976	\$324,597	\$39,374,862	797
Project 37	2006	TV Pilot	\$3,949,913	\$2,003,216	\$200,322	\$39,575,184	658
Project 38	2006	TV Pilot	\$3,047,999	\$2,174,875	\$217,487	\$39,792,671	400
Project 39	2006	TV Pilot	\$5,515,254	\$4,229,082	\$422,908	\$40,215,579	1,183
Project 40	2005	Feature Film	\$1,339,147	\$1,005,597	\$100,560	\$40,316,139	305
Project 41	2007	TV Pilot	\$5,180,685	\$3,796,349	\$379,635	\$40,695,774	403
Project 42	2005	TV Series	\$19,837,359	\$14,020,621	\$1,402,062	\$42,097,836	3,384
Project 43	2006	Feature Film	\$6,983,087	\$5,056,273	\$505,627	\$42,603,463	996
Project 44	2006	Feature Film	\$19,724,906	\$13,552,249	\$1,355,225	\$43,958,688	1,057
Project 45	2006	Feature Film	\$3,500,324	\$2,468,552	\$246,855	\$44,205,543	460
Project 46	2006	TV Pilot	\$3,213,725	\$2,641,802	\$264,180	\$44,469,723	445
Project 47	2005	Feature Film	\$3,612,636	\$2,812,666	\$281,267	\$44,750,990	355
Project 48	2005	Feature Film	\$1,574,231	\$1,200,913	\$120,091	\$44,871,081	358

**Table 1: List of Credit-Approved Projects, Credit Amounts, and Employment:
August 2004 through December 31, 2008**

<i>PROJECT</i>	<i>YEAR</i>	<i>PROJECT TYPE</i>	<i>TOTAL NY SPEND</i>	<i>TOTAL QUALIFIED COSTS</i>	<i>CREDIT AMOUNT</i>	<i>CUMULATIVE TOTAL CREDIT \$</i>	<i>TOTAL PRODUCTION HIRES</i>
Project 49	2006	Feature Film	\$1,612,515	\$1,590,872	\$159,087	\$45,030,168	393
Project 50	2006	Feature Film	\$2,990,070	\$1,846,186	\$184,619	\$45,214,787	391
Project 51	2006	Feature Film	\$8,224,119	\$5,150,301	\$515,030	\$45,729,817	914
Project 52	2007	TV Series	\$27,134,133	\$15,707,627	\$1,570,763	\$47,300,580	863
Project 53	2005	Feature Film	\$15,058,262	\$11,918,993	\$1,191,899	\$48,492,479	581
Project 54	2006	Feature Film	\$18,771,167	\$14,720,453	\$1,472,045	\$49,964,524	791
Project 55	2005	Feature Film*	\$826,075	\$660,860	\$66,086	\$50,030,610	-
Project 56	2005	Feature Film	\$2,562,539	\$1,788,295	\$178,830	\$50,209,440	325
Project 57	2005	Feature Film	\$4,176,900	\$3,183,191	\$318,319	\$50,527,759	677
Project 58	2006	Feature Film	\$127,179	\$116,024	\$11,602	\$50,539,361	29
Project 59	2006	Feature Film	\$35,905,191	\$19,644,064	\$1,964,406	\$52,503,767	4,081
Project 60	2004	TV Series	\$5,929,140	\$4,295,337	\$429,534	\$52,933,301	840
Project 61	2006	Feature Film	\$1,907,778	\$1,480,653	\$148,065	\$53,081,366	281
Project 62	2006	Feature Film	\$3,738,997	\$2,681,754	\$268,175	\$53,349,541	651
Project 63	2005	Feature Film	\$447,493	\$356,934	\$35,693	\$53,385,234	95
Project 64	2005	Feature Film	\$31,053,028	\$23,040,124	\$2,304,013	\$55,689,247	3,648
Project 65	2005	Feature Film	\$1,087,404	\$973,033	\$97,304	\$55,786,551	419
Project 66	2007	Feature Film	\$2,304,843	\$1,616,116	\$161,612	\$55,948,163	218
Project 67	2005	Feature Film	\$38,871,413	\$26,607,393	\$2,660,740	\$58,608,903	1,143
Project 68	2005	Feature Film	\$430,510	\$382,514	\$38,252	\$58,647,155	105
Project 69	2006	Feature Film	\$3,245,172	\$2,368,065	\$236,807	\$58,883,962	588
Project 70	2005	Feature Film	\$3,583,588	\$3,250,247	\$325,025	\$59,208,987	500
Project 71	2006	Feature Film	\$4,657,592	\$3,953,265	\$395,327	\$59,604,314	996
Project 72	2005	Feature Film	\$13,339,484	\$8,616,419	\$861,642	\$60,465,956	1,128
Project 73	2007	Feature Film	\$12,933,510	\$8,326,758	\$832,676	\$61,298,632	951
Project 74	2006	TV Pilot	\$5,501,695	\$4,571,976	\$457,198	\$61,755,830	1,344
Project 75	2006	Feature Film	\$1,968,393	\$1,473,094	\$147,309	\$61,903,139	232
Project 76	2006	Feature Film	\$18,531,408	\$13,479,982	\$1,347,998	\$63,251,137	1,264
Project 77	2006	Feature Film	\$5,425,865	\$3,403,986	\$340,399	\$63,591,536	803
Project 78	2006	TV Series	\$4,148,411	\$1,174,538	\$117,454	\$63,708,990	88
Project 79	2006	Feature Film	\$598,218	\$482,115	\$48,211	\$63,757,201	104
Project 80	2006	Feature Film	\$3,521,696	\$2,688,976	\$268,898	\$64,026,099	582
Project 81	2004	Feature Film	\$84,720,715	\$37,759,066	\$3,775,907	\$67,802,006	2,080
Project 82	2007	Feature Film	\$1,664,750	\$1,397,724	\$139,772	\$67,941,778	390
Project 83	2007	TV Pilot	\$3,278,491	\$2,547,603	\$254,760	\$68,196,538	668
Project 84	2005	Feature Film	\$69,003,227	\$58,562,747	\$5,856,275	\$74,052,813	2,742
Project 85	2006	Feature Film	\$3,561,185	\$3,381,496	\$338,150	\$74,390,963	342
Project 86	2007	TV Series	\$27,942,148	\$22,557,433	\$2,255,743	\$76,646,706	2,256
Project 87	2006	TV Series	\$16,186,328	\$13,337,955	\$1,333,796	\$77,980,502	1,546
Project 88	2005	Feature Film	\$722,478	\$516,703	\$51,671	\$78,032,173	113
Project 89	2007	TV Series	\$23,749,175	\$14,685,084	\$1,468,508	\$79,500,681	1,718
Project 90	2007	TV Pilot	\$5,975,762	\$4,750,972	\$475,097	\$79,975,778	1,178
Project 91	2006	Feature Film	\$8,439,529	\$6,649,859	\$664,986	\$80,640,764	1,235
Project 92	2006	Feature Film	\$1,464,376	\$1,083,041	\$108,304	\$80,749,068	281
Project 93	2006	Feature Film	\$72,313,258	\$29,997,522	\$2,999,752	\$83,748,820	4,937
Project 94	2005	Feature Film	\$13,591,392	\$9,118,141	\$911,815	\$84,660,635	1,252
Project 95	2006	Feature Film	\$17,636,641	\$12,961,144	\$1,296,114	\$85,956,749	1,938
Project 96	2007	TV Pilot	\$4,892,015	\$3,775,106	\$377,511	\$86,334,260	673

**Table 1: List of Credit-Approved Projects, Credit Amounts, and Employment:
August 2004 through December 31, 2008**

<i>PROJECT</i>	<i>YEAR</i>	<i>PROJECT TYPE</i>	<i>TOTAL NY SPEND</i>	<i>TOTAL QUALIFIED COSTS</i>	<i>CREDIT AMOUNT</i>	<i>CUMULATIVE TOTAL CREDIT \$</i>	<i>TOTAL PRODUCTION HIRES</i>
Project 97	2007	TV Pilot	\$4,941,479	\$3,900,079	\$390,008	\$86,724,268	973
Project 98	2005	Feature Film	\$61,520,681	\$28,135,434	\$2,813,544	\$89,537,812	2,362
Project 99	2007	TV Series	\$45,163,061	\$31,206,430	\$3,120,643	\$92,658,455	3,667
Project 100	2007	Feature Film	\$7,098,765	\$5,373,208	\$537,321	\$93,195,776	768
Project 101	2006	Feature Film	\$20,891,981	\$15,364,478	\$1,536,448	\$94,732,224	1,300
Project 102	2007	Feature Film	\$4,080,441	\$3,203,649	\$320,365	\$95,052,589	455
Project 103	2006	Feature Film	\$14,642,541	\$10,962,974	\$1,096,297	\$96,148,886	710
Project 104	2007	TV Pilot	\$6,113,137	\$5,150,548	\$515,055	\$96,663,941	788
Project 105	2006	Feature Film	\$3,303,027	\$2,752,203	\$275,220	\$96,939,161	654
Project 106	2006	Feature Film	\$3,335,183	\$1,883,820	\$188,382	\$97,127,543	137
Project 107	2006	Feature Film	\$2,179,030	\$1,661,595	\$166,160	\$97,293,703	347
Project 108	2007	TV Pilot	\$5,630,532	\$4,727,444	\$472,744	\$97,766,447	996
Project 109	2005	Feature Film	\$20,877,559	\$13,607,217	\$1,360,722	\$99,127,169	3,193
Project 110	2006	Feature Film	\$2,618,948	\$2,427,502	\$242,750	\$99,369,919	237
Project 111	2006	Feature Film	\$87,134,291	\$51,304,959	\$5,130,496	\$104,500,415	5,420
Project 112	2006	Feature Film	\$30,700,079	\$22,291,405	\$2,229,141	\$106,729,555	2,492
Project 113	2005	TV Series	\$151,240,868	\$69,381,848	\$6,938,185	\$113,667,740	4,443
Project 114	2006	TV Series	\$42,878,228	\$25,979,835	\$2,597,984	\$116,265,723	2,796
Project 115	2007	Feature Film	\$16,834,336	\$10,328,779	\$1,032,878	\$117,298,601	540
Project 116	2006	Feature Film	\$6,340,563	\$4,296,420	\$429,642	\$117,728,243	732
Project 117	2007	Pilot	\$5,961,189	\$4,777,763	\$477,776	\$118,206,019	769
Project 118	2007	TV Series	\$55,179,057	\$33,069,107	\$3,306,911	\$121,512,930	6,240
Project 119	2007	Feature Film	\$3,273,256	\$2,534,808	\$253,481	\$121,766,411	495
Project 120	2007	TV Pilot	\$6,528,239	\$5,041,460	\$504,146	\$122,270,557	833
Project 121	2007	TV Series	\$37,088,402	\$19,732,019	\$1,973,202	\$124,243,759	1,182
Project 122	2006	TV Series	\$56,345,056	\$38,286,332	\$3,828,633	\$128,072,392	3,967
Project 123	2007	Feature Film	\$2,357,528	\$1,491,873	\$149,187	\$128,221,579	418
Project 124	2007	TV Pilot	\$5,865,851	\$4,821,492	\$482,149	\$128,703,728	1,079
Project 125	2006	Feature Film	\$29,723,095	\$17,885,484	\$1,788,548	\$130,492,277	2,071
Project 126	2007	Feature Film	\$3,585,927	\$2,892,661	\$289,266	\$130,781,543	493
Project 127	2006	Feature Film	\$59,603,012	\$45,865,105	\$4,586,511	\$135,368,053	5,711
Project 128	2007	TV Series	\$7,202,329	\$4,751,095	\$475,110	\$135,843,163	592
Project 129	2007	Feature Film	\$14,080,765	\$7,467,967	\$746,797	\$136,589,960	348
Project 130	2006	TV Series	\$29,614,557	\$21,246,261	\$2,124,626	\$138,714,586	2,818
Project 131	2005	Feature Film	\$2,594,261	\$1,671,373	\$167,137	\$138,881,723	548
Project 132	2006	Feature Film	\$47,324,752	\$37,462,140	\$3,746,214	\$142,627,937	2,895
Project 133	2007	TV Series	\$29,940,894	\$17,696,623	\$1,769,662	\$144,397,599	1,910
Project 134	2007	TV Pilot	\$4,179,831	\$3,334,853	\$333,485	\$144,731,085	899
Project 135	2006	Feature Film	\$8,265,284	\$6,424,049	\$642,405	\$145,373,490	1,249
Project 136	2006	Feature Film	\$3,856,442	\$2,992,788	\$299,279	\$145,672,768	560
Project 137	2006	Feature Film	\$48,081,109	\$25,465,889	\$2,546,589	\$148,219,357	2,755
Project 138	2006	Feature Film	\$1,300,036	\$701,766	\$70,177	\$148,289,534	341
Project 139	2008	TV Pilot	\$6,067,711	\$4,829,146	\$482,915	\$148,772,448	1,035
Project 140	2006	Feature Film	\$663,992	\$585,889	\$58,589	\$148,831,037	112
Project 141	2007	Feature Film	\$3,293,057	\$2,415,087	\$241,509	\$149,072,546	500
Project 142	2006	Feature Film	\$3,019,164	\$2,918,967	\$291,897	\$149,364,443	803
Project 143	2007	Feature Film	\$2,234,432	\$1,672,918	\$167,292	\$149,531,735	200
Project 144	2008	Feature Film	\$3,421,997	\$2,427,408	\$242,741	\$149,774,475	473

**Table 1: List of Credit-Approved Projects, Credit Amounts, and Employment:
August 2004 through December 31, 2008**

<i>PROJECT</i>	<i>YEAR</i>	<i>PROJECT TYPE</i>	<i>TOTAL NY SPEND</i>	<i>TOTAL QUALIFIED COSTS</i>	<i>CREDIT AMOUNT</i>	<i>CUMULATIVE TOTAL CREDIT \$</i>	<i>TOTAL PRODUCTION HIRES</i>
Project 145	2007	Feature Film	\$2,070,162	\$1,488,694	\$148,869	\$149,923,345	272
Project 146	2008	Feature Film	\$494,270	\$383,131	\$38,313	\$149,961,658	225
Project 147	2007	TV Series	\$26,546,777	\$20,238,784	\$2,023,878	\$151,985,536	2,518
Project 148	2005	Feature Film	\$9,988,056	\$7,474,038	\$747,404	\$152,732,940	381
Project 149	2007	TV Series	\$3,152,901	\$1,725,825	\$172,583	\$152,905,523	173
Project 150	2007	TV Series	\$5,509,554	\$3,904,182	\$390,418	\$153,295,941	153
Project 151	2006	Feature Film	\$1,918,629	\$1,439,317	\$143,932	\$153,439,872	225
Project 152	2007	Feature Film	\$25,520,222	\$16,526,863	\$1,652,686	\$155,092,559	2,439
Project 153	2005	Feature Film	\$3,559,117	\$2,659,941	\$265,994	\$155,358,553	181
Project 154	2007	Feature Film	\$293,750	\$192,436	\$19,244	\$155,377,796	64
Project 155	2007	Feature Film	\$24,655,268	\$14,667,557	\$1,466,756	\$156,844,552	1,964
Project 156	2008	TV Series	\$14,719,036	\$10,064,025	\$1,006,403	\$157,850,955	1,588
Project 157	2006	Feature Film	\$10,484,724	\$8,491,442	\$849,144	\$158,700,099	990
Project 158	2007	Feature Film	\$9,711,799	\$7,416,606	\$741,661	\$159,441,759	946
Project 159	2008	Feature Film	\$1,095,185	\$748,713	\$74,871	\$159,516,631	118
Project 160	2009	TV Pilot	\$3,746,566	\$3,006,651	\$901,995	\$160,418,626	578
Project 161	2008	TV Pilot	\$3,225,347	\$2,152,490	\$215,249	\$160,633,875	335
Project 162	2008	TV Pilot	\$3,162,942	\$2,401,342	\$240,134	\$160,874,009	573
Project 163	2007	Feature Film	\$22,272,112	\$14,588,676	\$1,458,868	\$162,332,876	1,879
Project 164	2008	Feature Film	\$40,439,135	\$15,096,988	\$1,509,699	\$163,842,575	1,833
Project 165	2007	Feature Film	\$16,274,389	\$12,035,013	\$1,203,501	\$165,046,077	1,630
Project 166	2007	Feature Film	\$2,916,080	\$2,195,310	\$219,531	\$165,265,608	334
Project 167	2007	TV Series	\$23,413,632	\$17,188,729	\$1,718,873	\$166,984,480	1,574
Project 168	2008	TV Series	\$34,987,049	\$27,514,197	\$2,751,420	\$169,735,900	3,456
Project 169	2008	TV Series	\$19,766,875	\$16,267,307	\$1,626,731	\$171,362,631	918
Project 170	2007	TV Series	\$10,595,314	\$6,452,225	\$645,223	\$172,007,853	309
Project 171	2007	Feature Film	\$660,476	\$593,432	\$59,343	\$172,067,196	142
Project 172	2007	TV Series	\$35,465,867	\$21,968,988	\$2,196,899	\$174,264,095	2,068
Project 173	2008	Feature Film	\$27,442,455	\$17,270,111	\$1,727,011	\$175,991,106	1,847
Project 174	2008	Feature Film	\$5,003,298	\$3,774,523	\$377,452	\$176,368,559	351
Project 175	2007	Feature Film	\$2,443,972	\$1,350,887	\$135,089	\$176,503,647	342
Project 176	2009	TV Pilot	\$4,700,939	\$3,773,687	\$1,132,106	\$177,635,753	365
Project 177	2008	TV Pilot	\$10,816,392	\$8,630,318	\$2,589,095	\$180,224,849	1,274
Project 178	2008	Feature Film	\$18,258,514	\$13,623,495	\$1,362,350	\$181,587,198	1,803
Project 179	2008	Feature Film	\$41,665,555	\$25,504,898	\$2,550,490	\$184,137,688	1,156
Project 180	2008	Feature Film	\$949,748	\$893,451	\$89,345	\$184,227,033	88
Project 181	2007	Feature Film	\$116,437,614	\$79,295,073	\$7,929,507	\$192,156,540	5,051
TOTALS			\$2,961,500,682	\$1,890,744,095	\$192,156,540	\$16,215,170,621	217,163

**Table 2: List of Credit-Approved Projects and Shooting Days:
August 2004 through December 31, 2008**

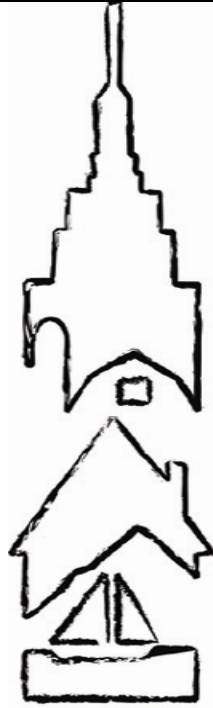
PROJECT	PROJECT TYPE	SHOOTING DAYS									
		STAGE			TOTAL STAGE DAYS	LOCATION		TOTAL LOCATION DAYS NYC & NYS	LOCATION DAYS OUTSIDE NYS	TOTAL LOCATION DAYS	TOTAL SHOOT DAYS
		DAYS NYC	DAYS NYS	DAYS OUTSIDE NYS		DAYS NYC	DAYS NYS				
Project 1	Feature Film	0	1	0	1	1	24.5	25.5	8.5	34	35
Project 2	TV Series	47	0	0	47	3	0	3	0	3	50
Project 3	TV Series	75	0	1	76	32	0	32	0	32	108
Project 4	TV Series	8	0	0	8	16	0	16	0	16	24
Project 5	Feature Film	0	1	0	1	25	0	25	3	28	29
Project 6	TV Pilot	1	0	0	1	14	0	14	0	14	15
Project 7	TV Pilot	1	0	0	1	11	1	12	0	12	13
Project 8	TV Pilot	1	0	0	1	14	0	14	0	14	15
Project 9	TV Pilot	1	0	0	1	8	0	8	0	8	9
Project 10	TV Series	63	0	0	63	89	0	89	2	91	154
Project 11	Feature Film	0	6	0	6	0	36	36	0	36	42
Project 12	TV Series	84	0	0	84	87	0	87	5	92	176
Project 13	TV Series	90	0	0	90	92	1	93	1	94	184
Project 14	Feature Film	1	0	0	1	25	0	25	0	25	26
Project 15	Feature Film	43	0	0	43	17	0	17	0	17	60
Project 16	Feature Film	4	0	0	4	34	2	36	0	36	40
Project 17	TV Pilot	2	0	0	2	9	2	11	0	11	13
Project 18	Feature Film	29.75	0	0	29.75	62.25	0	62.25	2	64.25	94
Project 19	Feature Film	19	0	0	19	23	0	23	5	28	47
Project 20	Feature Film	1	0	0	1	0	21	21	2	23	24
Project 21	TV Series	32	0	0	32	61	4	65	3	68	100
Project 22	Feature Film	0	1	0	1	33	0	33	0	33	34
Project 23	TV Series	31	0	0	31	31	5	36	0	36	67
Project 24	Feature Film	1	0	0	1	23	0	23	0	23	24
Project 25	Feature Film	1	0	0	1	18	2	20	4	24	25
Project 26	TV Pilot	2	0	0	2	8	2	10	0	10	12
Project 27	Feature Film	15	0	0	15	30	0	30	0	30	45
Project 28	TV Series	36	0	0	36	15	0	15	0	15	51
Project 29	TV Pilot	8.50	0	0	8.5	9.5	0	9.5	0	9.5	18
Project 30	Feature Film	1	0	0	1	14	20	34	11	45	46
Project 31	TV Pilot	2	0	0	2	12	0	12	0	12	14
Project 32	TV Pilot	1	0	0	1	13	0	13	0	13	14
Project 33	TV Series	66	0	0	66	110	0	110	1	111	177
Project 34	TV Series	91	0	0	91	116	0	116	0	116	207
Project 35	TV Series	45	0	0	45	0	0	0	0	0	45
Project 36	TV Pilot	2	0	0	2	13	0	13	0	13	15
Project 37	TV Pilot	2	0	0	2	6	0	6	0	6	8
Project 38	TV Pilot	1	0	0	1	7	0	7	1	8	9
Project 39	TV Pilot	1	0	0	1	14	0	14	0	14	15
Project 40	Feature Film	1	0	0	1	17	0	17	3	20	21
Project 41	TV Pilot	1	0	0	1	13	1	14	0	14	15
Project 42	TV Series	22	0	0	22	35	0	35	0	35	57
Project 43	Feature Film	3	0	0	3	20	2	22	2	24	27
Project 44	Feature Film	6	0	1	7	52	2	54	8	62	69
Project 45	Feature Film	0	1	0	1	7	20	27	2	29	30
Project 46	TV Pilot	4	0	0	4	6.5	0.5	7	0	7	11
Project 47	Feature Film	2	0	0	2	12	7	19	6	25	27
Project 48	Feature Film	1	0	0	1	19	1	20	1	21	22
Project 49	Feature Film	1	0	0	1	24	1	25	0	25	26
Project 50	Feature Film	1	0	0	1	24	0	24	0	24	25
Project 51	Feature Film	1	0	0	1	15	0	15	0	15	16
Project 52	TV Series	37	0	0	37	56	4	60	1	61	98
Project 53	Feature Film	10	0	0	10	44	0	44	3	47	57
Project 54	Feature Film	13	0	0	13	13	18	31	7	38	51
Project 55	Feature Film*	2	0	0	2	0	0	0	0	0	2
Project 56	Feature Film	1	0	0	1	25	0	0	0	0	26
Project 57	Feature Film	1	0	0	1	24	2	26	0	26	27
Project 58	Feature Film	1	0	0	1	22	0	22	0	22	23
Project 59	Feature Film	21	0	0	21	0	0	0	2	2	23
Project 60	TV Series	13	0	0	12.75	26	0	26	8.25	34.25	47
Project 61	Feature Film	1	0	0	1	16	3	19	0	19	20
Project 62	Feature Film	2	0	0	2	23	0	23	0	23	25
Project 63	Feature Film	1	0	0	1	19	0	19	0	19	20
Project 64	Feature Film	82	0	0	82	28	0	28	0	28	110
Project 65	Feature Film	1	0	0	1	25	0	25	0	25	26
Project 66	Feature Film	1	0	0	1	1	20	21	0	21	22
Project 67	Feature Film	27	0	0	27	42	1	43	0	43	70

**Table 2: List of Credit-Approved Projects and Shooting Days:
August 2004 through December 31, 2008**

PROJECT	PROJECT TYPE	SHOOTING DAYS										
		STAGE				LOCATION		TOTAL	LOCATION		TOTAL	
		DAYS NYC	DAYS NYS	DAYS OUTSIDE NYS	TOTAL STAGE DAYS	DAYS NYC	DAYS NYS	LOCATION DAYS NYC & NYS	DAYS OUTSIDE NYS	LOCATION DAYS	TOTAL SHOOT DAYS	
Project 68	Feature Film	1	0	0	1	21	0	21	1	22	23	
Project 69	Feature Film	1	0	0	1	23	0	23	0	23	24	
Project 70	Feature Film	1	0	0	1	42	0	42	0	42	43	
Project 71	Feature Film	1	0	0	1	30	5	35	0	35	36	
Project 72	Feature Film	1	0	0	1	40	1	41	0	41	42	
Project 73	Feature Film	14	0	0	14	17	2	19	0	19	33	
Project 74	TV Pilot	4	0	0	3.5	11.5	0	11.5	0	11.5	15	
Project 75	Feature Film	1	0	0	1	16	6	22	0	22	23	
Project 76	Feature Film	3	0	0	3	37	11	48	1	49	52	
Project 77	Feature Film	1	0	0	1	20	0	20	0	20	21	
Project 78	TV Series	0	58	0	58	0	11	11	0	11	69	
Project 79	Feature Film	1	0	0	1	23	0	23	1	24	25	
Project 80	Feature Film	8	0	0	8	15	0	15	0	15	23	
Project 81	Feature Film	37	0	0	37	34	2	36	45	81	118	
Project 82	Feature Film	1	0	0	1	15	1	16	3	19	20	
Project 83	TV Pilot	1	0	0	1	10	0	10	0	10	11	
Project 84	Feature Film	39	0	2	41	29	24	53	12	65	106	
Project 85	Feature Film	6	0	0	6	21	0	21	0	21	27	
Project 86	TV Series	43	0	0	43	58	0	58	0	58	101	
Project 87	TV Series	50	0	0	50	15	0	15	0	15	65	
Project 88	Feature Film	1	0	0	1	20	4	24	0	24	25	
Project 89	TV Series	36	0	0	36	26	1	27	1	28	64	
Project 90	TV Pilot	4	0	0	4	12	0	12	0	12	16	
Project 91	Feature Film	1	0	0	1	32	1	33	0	33	34	
Project 92	Feature Film	1	0	0	1	14	0	14	3	17	18	
Project 93	Feature Film	26	0	0	26	34	2	36	0	36	62	
Project 94	Feature Film	1	0	0	1	25	0	25	7	32	33	
Project 95	Feature Film	1	0	0	1	46	3	49	0	49	50	
Project 96	TV Pilot	1	0	0	1	5	6	11	1	12	13	
Project 97	TV Pilot	2	0	0	2	12	1	13	0	13	15	
Project 98	Feature Film	12	0	0	12	51	0	51	1	52	64	
Project 99	TV Series	46	0	0	46	72	0	72	0	72	118	
Project 100	Feature Film	1	0	0	1	22	2	24	0	24	25	
Project 101	Feature Film	29	0	0	29	24	0	24	0	24	53	
Project 102	Feature Film	1	0	0	1	25	0	25	1	26	27	
Project 103	Feature Film	2	0	0	2	8	32	40	0	40	42	
Project 104	TV Pilot	2	0	0	2	18	0	18	0	18	20	
Project 105	Feature Film	2	0	0	2	25	0	25	0	25	27	
Project 106	Feature Film	0	5	0	5	0	33	33	0	33	38	
Project 107	Feature Film	1	0	0	1	23	0	23	2	25	26	
Project 108	TV Pilot	2	0	0	2	13	1	14	0	14	16	
Project 109	Feature Film	1	0	0	1	39	3	42	4	46	47	
Project 110	Feature Film	1	0	0	1	23	0	23	5	28	29	
Project 111	Feature Film	2	0	0	2	58	11	69	5	74	76	
Project 112	Feature Film	16	0	0	16	61	0	61	0	61	77	
Project 113	TV Series	154	0	0	154	21	27	48	156	204	358	
Project 114	TV Series	79	0	0	79	24	1	25	0	25	104	
Project 115	Feature Film	16	0	0	16	20	0	20	10	30	46	
Project 116	Feature Film	3	0	0	3	17	9	26	2	28	31	
Project 117	Pilot	1	0	0	1	13	0	13	0	13	14	
Project 118	TV Series	93	0	0	93	90	0	90	3	93	186	
Project 119	Feature Film	1	0	0	1	24	0	24	0	24	25	
Project 120	TV Pilot	1	0	0	1	0	12	12	0	12	13	
Project 121	TV Series	14	0	0	14	0	0	0	0	0	14	
Project 122	TV Series	66	0	0	66	110	0	110	0	110	176	
Project 123	Feature Film	1	0	0	1	27	0	27	0	27	28	
Project 124	TV Pilot	2	0	0	2	13	0	13	0	13	15	
Project 125	Feature Film	12	0	0	12	27	7	34	1	35	47	
Project 126	Feature Film	1	0	0	1	18	0	18	0	18	25	
Project 127	Feature Film	29	0	0	29	32	9	41	11	52	81	
Project 128	TV Series	23	0	0	23	31	0	31	0	31	54	
Project 129	Feature Film	25	0	0	25	0	16	16	0	16	41	
Project 130	TV Series	34	0	0	34	58	1	59	9	68	102	
Project 131	Feature Film	1	0	0	1	36	0	36	0	36	37	
Project 132	Feature Film	43	0	0	43	30	0	30	0	30	73	
Project 133	TV Series	34	0	0	34	64	1	65	4	69	103	
Project 134	TV Pilot	1	0	0	1	12	0	12	0	12	13	

**Table 2: List of Credit-Approved Projects and Shooting Days:
August 2004 through December 31, 2008**

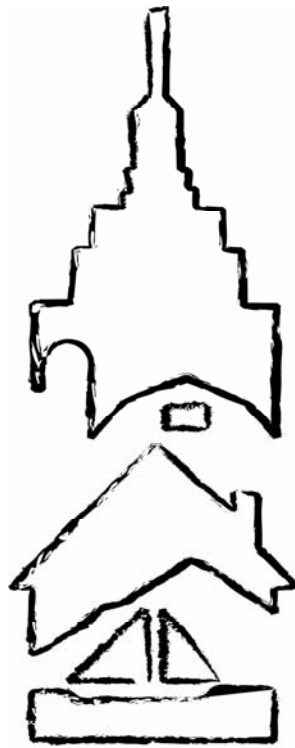
PROJECT	PROJECT TYPE	SHOOTING DAYS									
		STAGE DAYS			TOTAL STAGE DAYS	LOCATION DAYS		TOTAL LOCATION DAYS	TOTAL SHOOT DAYS		
		STAGE DAYS NYC	STAGE DAYS NYS	STAGE DAYS OUTSIDE NYS		LOCATION DAYS NYC	LOCATION DAYS NYS				
Project 135	Feature Film	5	0	0	5	22	3	25	0	25	30
Project 136	Feature Film	3	0	1	4	19	0	19	4	23	27
Project 137	Feature Film	9	0	0	9	48	0	48	0	48	57
Project 138	Feature Film	1	0	0	1	24	0	24	0	24	25
Project 139	TV Pilot	4	0	0	4	10	1	11	0	11	15
Project 140	Feature Film	1	0	0	1	0	14	14	0	14	15
Project 141	Feature Film	1	0	0	1	21	2	23	0	23	24
Project 142	Feature Film	3	0	0	3	24	0	24	2	26	29
Project 143	Feature Film	1	0	0	1	19	0	19	0	19	20
Project 144	Feature Film	1	0	0	1	23	0	23	0	23	24
Project 145	Feature Film	1	0	0	1	20	0	20	0	20	21
Project 146	Feature Film	1	0	0	1	16	3	19	0	19	20
Project 147	TV Series	46	0	0	46	39	7	46	0	46	92
Project 148	Feature Film	7	0	0	7	31	0	31	0	31	38
Project 149	TV Series	13	0	0	13	3	0	3	1	4	17
Project 150	TV Series	55	0	0	55	0	0	0	0	0	55
Project 151	Feature Film	1	0	0	1	4	14	18	5	23	24
Project 152	Feature Film	5	0	0	5	42	0	42	0	42	47
Project 153	Feature Film	1	0	0	1	23	1	24	0	24	25
Project 154	Feature Film	2	0	0	2	16	0	16	0	16	18
Project 155	Feature Film	12	0	0	12	30	2	32	0	32	44
Project 156	TV Series	15	0	0	15	22	11	33	0	33	48
Project 157	Feature Film	14	0	0	14	20	0	20	0	20	34
Project 158	Feature Film	0	1	0	1	7	30	37	0	37	38
Project 159	Feature Film	1	0	0	1	17	1	18	0	18	19
Project 160	TV Pilot	3	0	0	3	6	0	6	0	6	9
Project 161	TV Pilot	1	0	0	1	8	0	8	0	8	9
Project 162	TV Pilot	1	0	0	1	8	0	8	0	8	9
Project 163	Feature Film	10	0	0	10	34	3	37	2	39	49
Project 164	Feature Film	11	0	0	11	22	5	27	8	35	46
Project 165	Feature Film	7	0	0	7	30	0	30	5	35	42
Project 166	Feature Film	0	1	0	1	9	15	24	0	24	25
Project 167	TV Series	31	0	0	31	31	0	31	0	31	62
Project 168	TV Series	61	0	0	61	60	0	60	0	60	121
Project 169	TV Series	24	0	0	24	39	0	39	0	39	63
Project 170	TV Series	16	0	0	16	0	0	0	0	0	16
Project 171	Feature Film	1	0	0	1	17	0	17	0	17	18
Project 172	TV Series	65	0	0	65	13	1	14	0	14	79
Project 173	Feature Film	15	0	0	15	18	4	22	10	32	47
Project 174	Feature Film	4	0	0	4	28	0	28	0	28	32
Project 175	Feature Film	0	4	0	4	0	21	21	0	21	25
Project 176	TV Pilot	1	0	0	1	19	0	19	0	19	20
Project 177	TV Pilot	1	0	0	1	15	5	20	0	20	21
Project 178	Feature Film	12	0	0	12	27	0	27	0	27	39
Project 179	Feature Film	19	0	0	19	36	0	36	14	50	69
Project 180	Feature Film	8	0	0	8	13	7	20	0	20	28
Project 181	Feature Film	52	0	0	52	44	1	45	1	46	98
TOTALS		2,652	79	5	2,736	4,514	600	5,095	433	5,528	8,288



NEW YORK STATE
GOVERNOR'S OFFICE
FOR MOTION PICTURE
& TV DEVELOPMENT

SO MANY REASONS TO FILM IN NEW YORK STATE

NY♥FILM



EMPIRE STATE
FILM
PRODUCTION
CREDIT

NY♥FILM

2008 Report to the Legislature

This section is authored by the Governor's Office for Motion Picture and Television Development

Introduction

The Governor's Office for Motion Picture and Television Development (MP/TV) manages the Empire State film production credit, which was created in 2004 to increase the economic activity of an industry that contributes \$12 billion annually in total value to the state¹. The state increased the tax credit from 10% to 30% in April 2008 to compete with enhanced benefits offered by neighboring states. This report, which details the program's activity in calendar year 2008, captures the impact of this enhanced credit in its first partial year of implementation.

Program Results in 2008

MP/TV received 106 applications during 2008, estimated to generate \$1.86 billion in direct production spending in New York. This \$1.86 billion will generate approximately \$353 million in tax credits on qualified expenditures.

Only 10 of the 106 applications were received during the first quarter of calendar year 2008, reflecting the loss of a significant amount of production to Connecticut and other states that recently introduced generous tax credits. Following the April 2008 enactment of the tax credit increase, MP/TV saw increased application activity and received 96 applications during the remainder of the year.

The composition of the production activity comprising the 106 applications breaks out as follows:

- 62 feature films, with estimated NY Spend of \$881 million;
- 24 television series, with estimated NY Spend of \$882 million;
- 20 pilots, with estimated NY Spend of \$95 million.

Since the introduction of the enhanced tax credit, the industry through the end of 2008 will spend \$1.67 billion in New York State and receive \$353 million in tax credits as reported in verifiable applications. This reflects a benefit (direct spending incurred by projects) to cost (tax credits paid) ratio of 5:1.

One advantage of the program is that typically, projects do not actually collect the credit until two years after they begin. Thus productions are hiring actors and crew and engaging New York infrastructure and support businesses as much as two or three years before collecting on the credit.

¹New York's Big Picture: Assessing NY's Position in Film, Television and Commercial Production; Cornell University and Fiscal Policy Institute; August 2006

Background

Strategies implemented to counter increased competition from neighbors

Since the inception of the Empire State film production credit in August 2004, the level of economic activity generated by the film and television industry in New York has increased. By July 2009, the program has received applications that account for direct New York Spend of over \$6.98 billion .

Beginning in 2006, increased competition from neighboring states threatened the level of filmmaking activity in New York. Competing states offered larger total tax credits, allowed credit for larger portions of a production's budget, and had fewer in-state requirements than New York State. Most importantly, states like Connecticut offered tax credits on the total budget of a film production, which includes both "above the line" (ATL) and "below the line" (BTL) expenses.

- ATL includes fees and salaries for the creative team (director, producers, actors, writers) and on average represents 35% of the total budget.
- BTL covers all other hard costs of production including the salaries of crew and extras, as well as equipment and facility rental, lab costs, construction materials, props, wardrobe, locations, editing, catering, etc. Typically BTL represents 65% of the average budget.

Neighboring states credit the total budgets (ATL and BTL) of projects shot in their regions, whereas New York only qualifies BTL expenses. The original New York 10% credit therefore equated to approximately 6% of a project's total budget. When the credit rose to 30% in April of 2008, it equated to approximately 18% of a project's total budget.

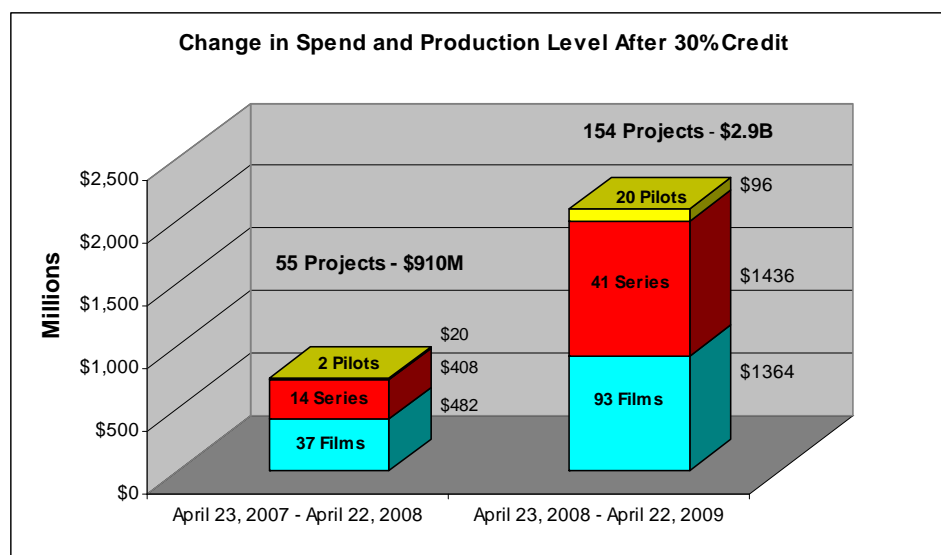
Additionally, most of New York's neighboring competitors do not impose an annual cap or limitation on how many projects may participate in their programs per year. New York State, on the other hand, had established ascending annual allotments through 2013 (e.g. \$75 million in 2009, \$110 million in 2013), with the provision that the program could rollover into future year allocations to meet the current year demands of accrued applications. Demand growth in 2008 led to the situation where all designated future years' funds were exhausted, requiring an additional allotment of \$350 million in the SFY2009-10 Executive Budget. Without the additional funds, the program would have ceased taking applications.

Credits Available in Competing States		Annual Cap
Connecticut	30% of total budget	no annual cap
Massachusetts	25% of total budget	no annual cap
Rhode Island	25% of total budget	no annual cap
Michigan	40% to 42% of total budget	\$75 mil annual cap
Pennsylvania	25% of total budget	no annual cap
NYS pre-April 2008	~6% of total budget (10% of BTL)	rolling allotment
NYS post-April 2008	~18% of total budget (30% of BTL)	rolling allotment

Program Activity

Participation level increased following introduction of 30% tax credit

Since passing the enhanced tax credit in April 2008, the level of film production applications increased. Comparing film production in New York State from April 23, 2008 to April 22, 2009 to the same period one year before, total activity tripled from 55 projects (with NY Spend of \$910 million) in April 2007-April 2008 to 154 projects (with NY Spend of \$2.9 billion) in April 2008-April 2009.



In addition to total level of activity, each portion of the film industry grew under the enhanced tax credit. Important to the diversification of the industry, New York State includes a balanced mix of feature film production as well as television series and pilots. A balanced mix of projects keeps facilities occupied and talent and crews employed throughout the year.

Each of these sectors offers the state distinct economic advantages.

- Feature films are very mobile and bring very quick and often rich infusions of capital to the locations they select. They can also more easily venture to various parts of the state.

- Television is particularly sought after for its potential longevity and security once a series is successful. TV requires a bigger infrastructure and large available skilled labor force. Once the commitment is made, a successful slate of TV series keeps the infrastructure and work force in business and employed.
- Pilots are critical to the ultimate attraction of long term series. A new series being picked up for the next season is much more likely to land in New York if the pilot was shot here first. Until recently, our competitors could not offer the infrastructure necessary to host episodic TV. Under the influence of rich incentive programs in neighboring states, that is now changing.

When the legislation tripled the incentive in April 2008, in effect the value of the incentive given per project increased 300% but the funding available for allocation through 2013 increased less than 50%. Although the allocation was increased on a progressive scale and extended through 2013, the incremental increase in funding could not keep pace with the significantly increased demand. By the end of 2008, after the new legislation tripling the incentive passed, \$578 million of the \$685 million allocated for the program through 2013 had been committed. By early March 2009, the rest of the available funds had been exhausted.

Program
Statistics for
the Life of the
Program:
August 2004 -
December
2008

The program received 323 initial applications between August 2004 and December 2008. By the end of 2008, 198 of those projects had been completed and submitted final applications. 181 of the final applications had been processed by year's end and tax credit certificates were issued in the amount of \$192,156,540.

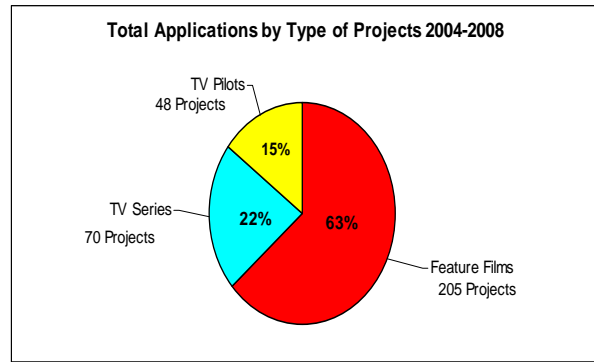
The following data are based on the information supplied in the 323 initial applications received by the Governor's Office for Motion Picture and Television Development from 2004 to 2008.

*Initial
Applications*

To be accepted into the program, an applicant must submit an initial application projecting the economic activity of the project. After a careful review, applications that meet program requirements are issued a certificate of conditional eligibility. Once the project is finished and a final application based on dollars actually spent is submitted, the certificate of tax credit is issued. The dollar value of credit given to a project is based on actual qualifying spending.

The 323 projects accrued in the life of the program consist of:

- 205 Feature Films
- 70 Television Series
- 48 Television Pilots



Project Spending

Project spending is measured in two ways: NY Spend (i.e., all money spent on a project in New York State on both qualified and non-qualified costs) and Qualified Spend (i.e., money spent in New York State on costs qualified for the credit such as labor, materials, facilities, post production, etc.). While the actual relationship between Qualified and Total NY Spend can vary, Qualified Spend averages about 65% of total NY Spend.

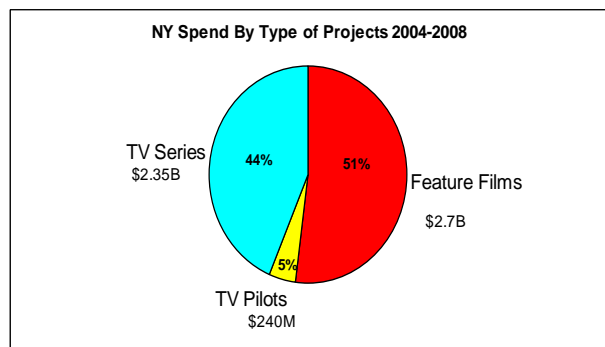
The 323 projects in the program through 2008 represent \$5.3 billion in NY Spend and \$3.5 billion in Qualified Spend.

Although film applications far outweigh the combined number of TV series and TV pilot applications, the actual NY spend generated by film versus television has been fairly equal during the life of the program.

NY Spend

The 323 projects divided by type generated NY Spend of \$5.3 billion, as follows:

- Feature Films: \$2.7 billion
- Television Series: \$2.35 billion
- Television Pilots: \$240 million



Since the increase in the size of the incentive, television series and pilots now actually contribute a larger share of production. Attracting a balance of film and television series and pilots provides a solid base for the infrastructure and keeps the work force employed year round.

Conclusion

With a credit rate increase in 2008 from 10% to 30%, the number of productions applying for tax credit in New York State also nearly tripled. Evidence of increased activity in New York State as reported by the industry includes:

- Unions reports that the rate of employment and in some cases expansion of membership on union rosters is unprecedented.
- Infrastructure development, including conversion of part of a Grumman facility for new soundstages in Bethpage.
- The opening of new vendor facilities and support services such as film processing labs and post production facilities at Deluxe, a custom-built film and digital facility in New York City.

In the current economic environment, the financial value of state tax credits factor significantly into where film productions decide to do business. Few companies today can absorb a difference of millions of dollars in production costs when locating an upcoming production. Neighboring states, like Connecticut, offer significant tax credits which easily draw upon the cluster of labor resident in New York State. While New York State offers creative assets that make it distinct, the current Empire State film production credit has made the state more competitive financially.

For more information concerning the data provided in this publication, please contact:

New York State Department of Taxation and Finance
Office of Tax Policy Analysis
W.A. Harriman State Campus Office
Albany, New York 12227
Phone: (518) 457-3187
Web Site: www.nystax.gov