

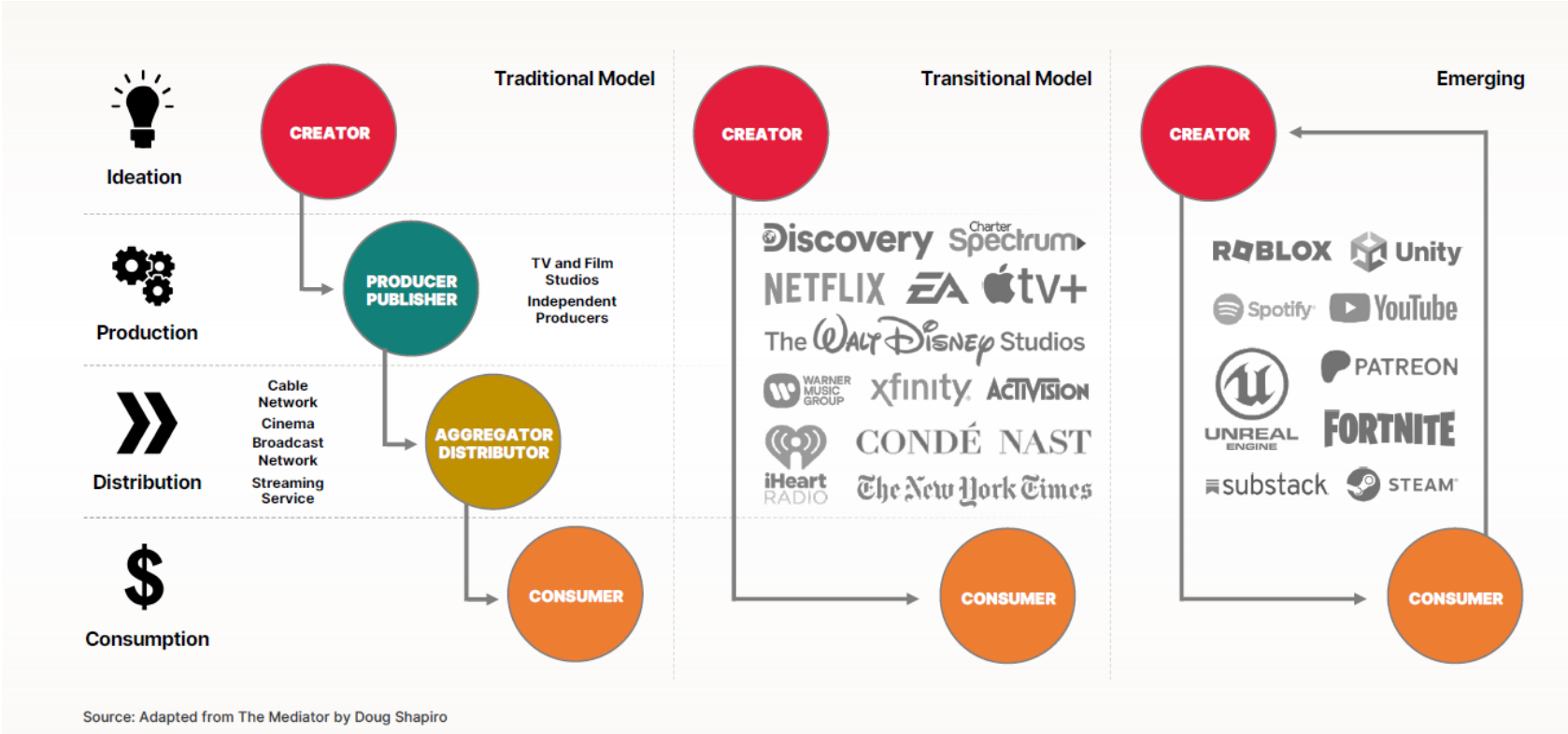


**Senate Committee on Revenue & Taxation Senate Budget and Fiscal
Review Subcommittee #4 on State Administration and General
Government Joint Oversight Hearing**

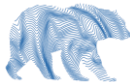
CA Film Tax Credit GO-Biz Presentation

March 26, 2025

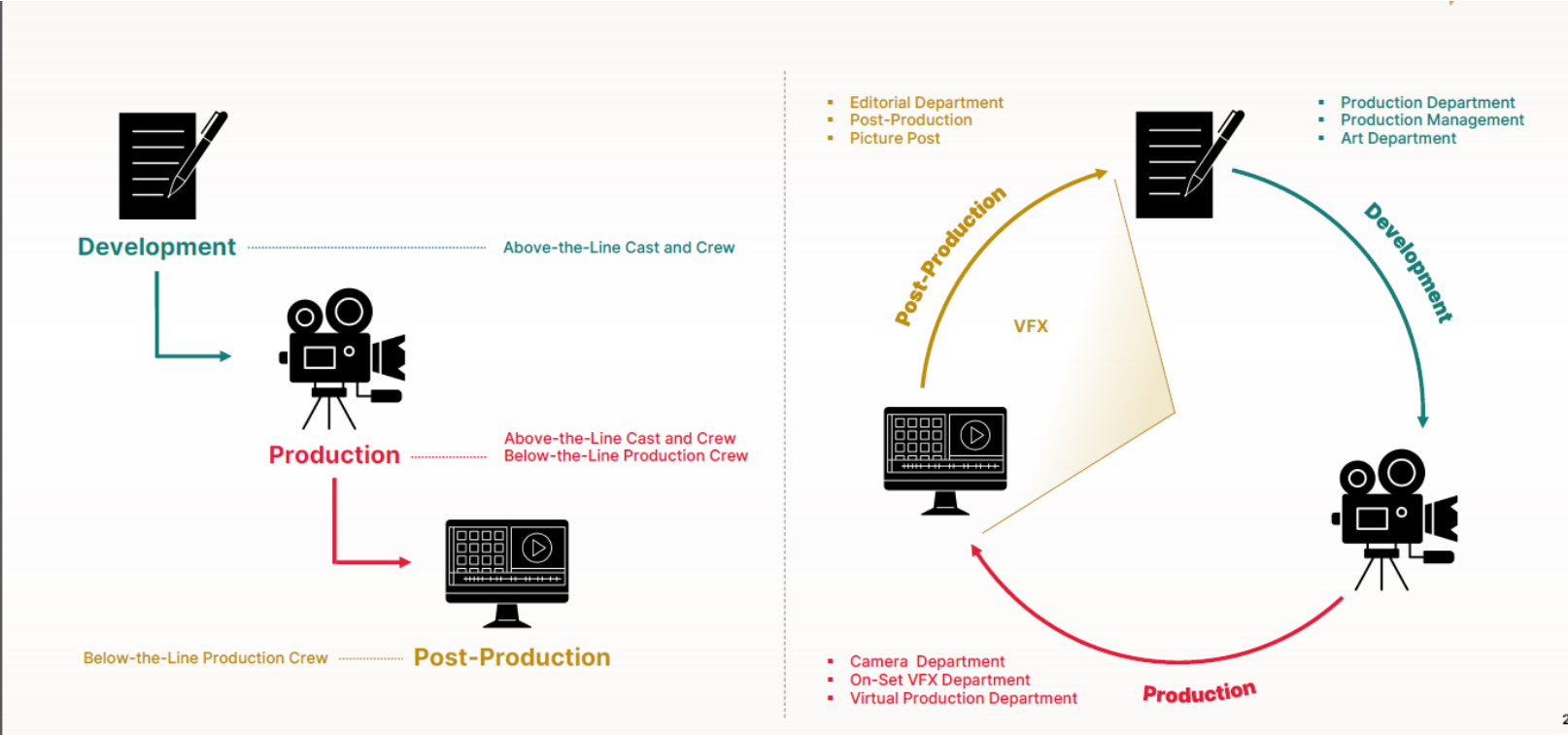
Media Value Chain is Rapidly Evolving



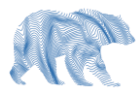
Source: CVL Economics, Adam Fowler, June 2024



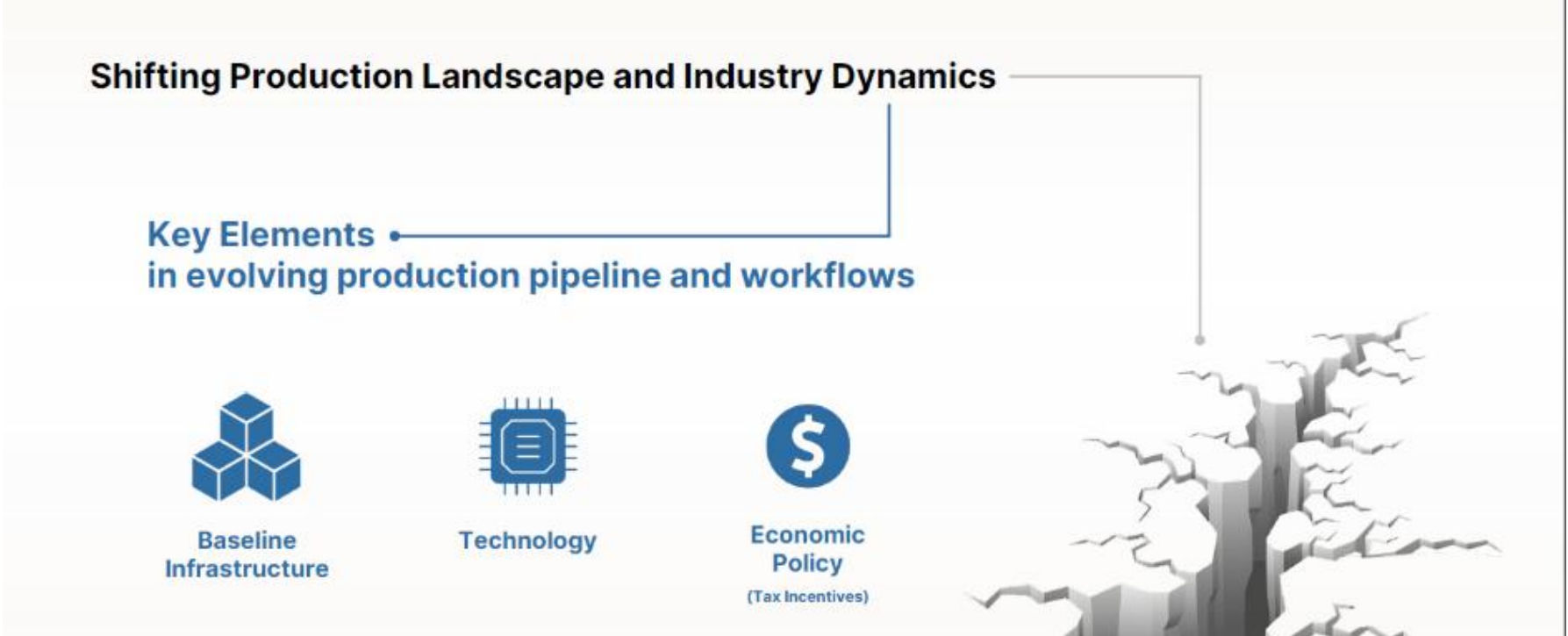
ALTERNATIVE PRODUCTION MODEL IS EMERGING



Source: CVL Economics, Adam Fowler, June 2024



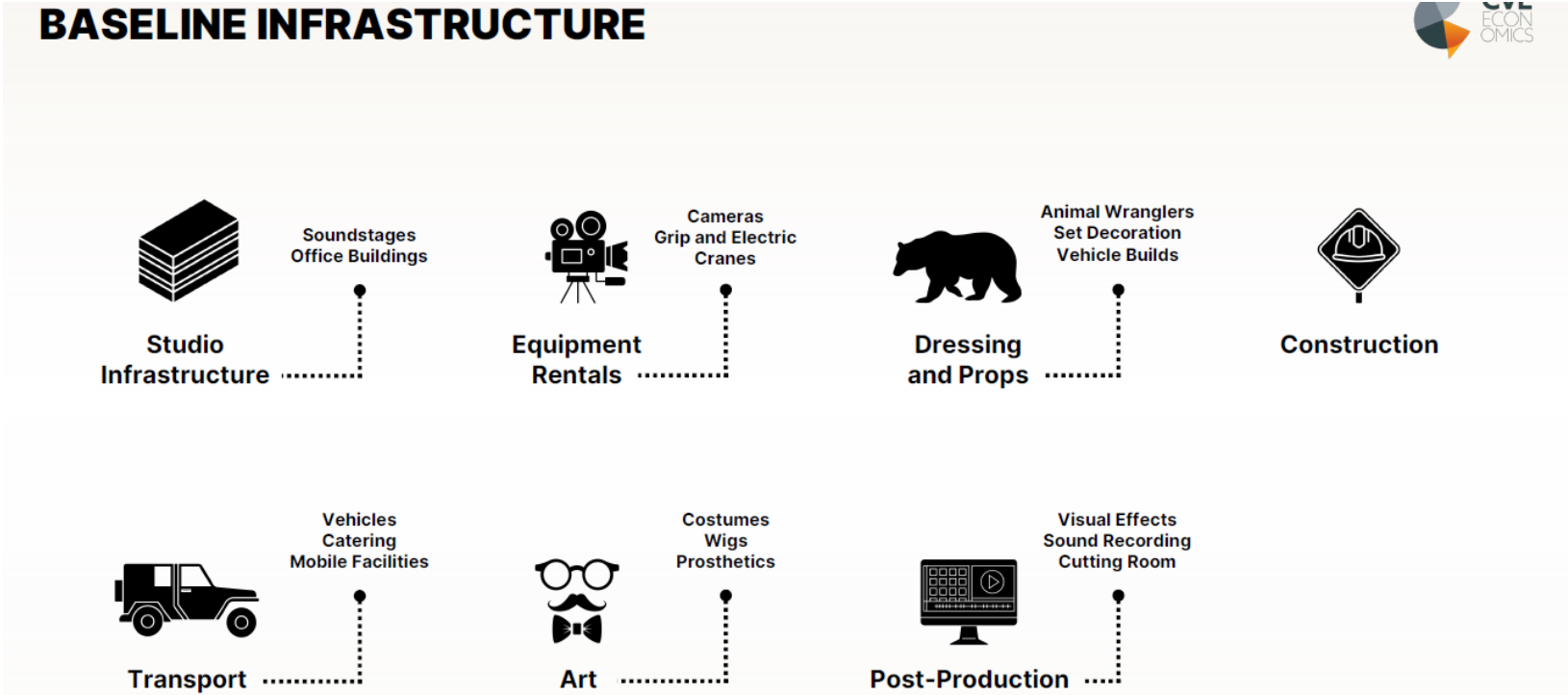
IMPACTS ON INCUMBENT MEDIA CLUSTER



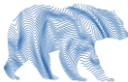
Source: CVL Economics, Adam Fowler, June 2024



KEY ELEMENTS



Source: CVL Economics, Adam Fowler, June 2024



KEY ELEMENTS

BASELINE INFRASTRUCTURE: SOUNDSTAGES



Soundstage Square Footage for Select Geographies (in Millions)

- United Kingdom: 6.9
- California: 6.2
- Ontario & British Columbia: 6.2
- Georgia: 4.5
- Metro NY-NJ: 2.7
- Illinois: 1.0

Soundstages Planned over Next 10 Years in Leading Cities

- New York: +44
- London: +160
- Los Angeles: +151

Source: CVL Economics, Adam Fowler, June 2024



KEY ELEMENTS

TECHNOLOGY



Artificial Intelligence

AI is not just another incremental step in the digital journey. It will be revolutionary in its impact on workflows and cost structures.



VFX & Virtual Production

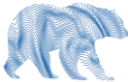
Technologies for VFX and virtual production will reorganize workflows across the production pipeline.



Cloud-Based Platforms

The cloud will increasingly become not only the means of media distribution but also the means of media production

Source: CVL Economics, Adam Fowler, June 2024

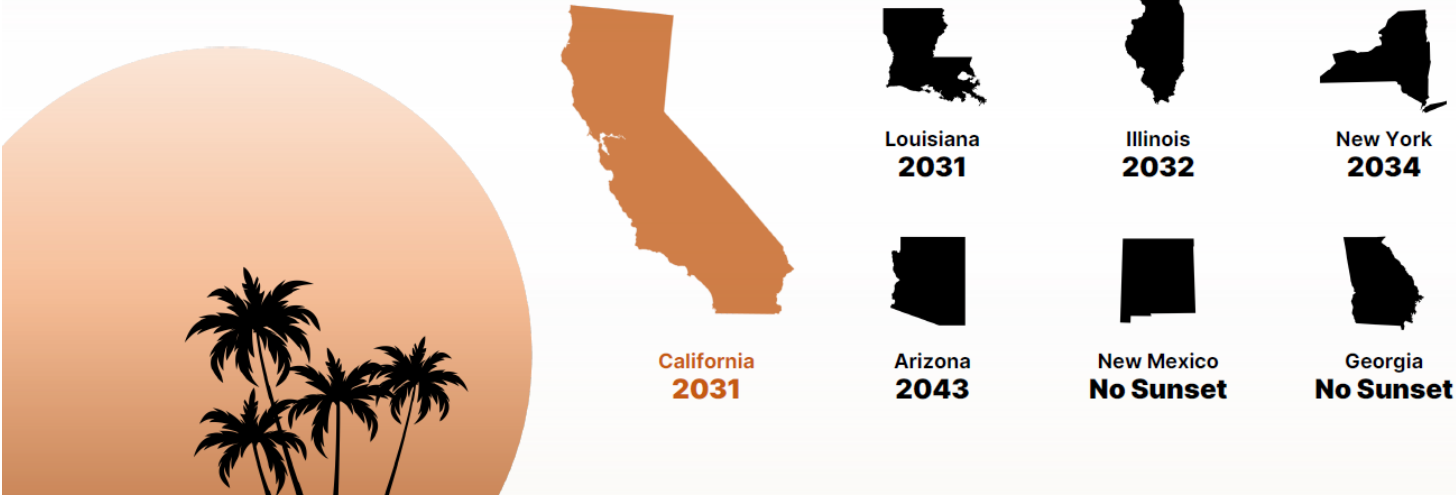


KEY ELEMENTS

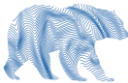
ECONOMIC POLICY: TAX INCENTIVES



Tax incentive programs are trending towards longer sunsets



Source: CVL Economics, Adam Fowler, June 2024



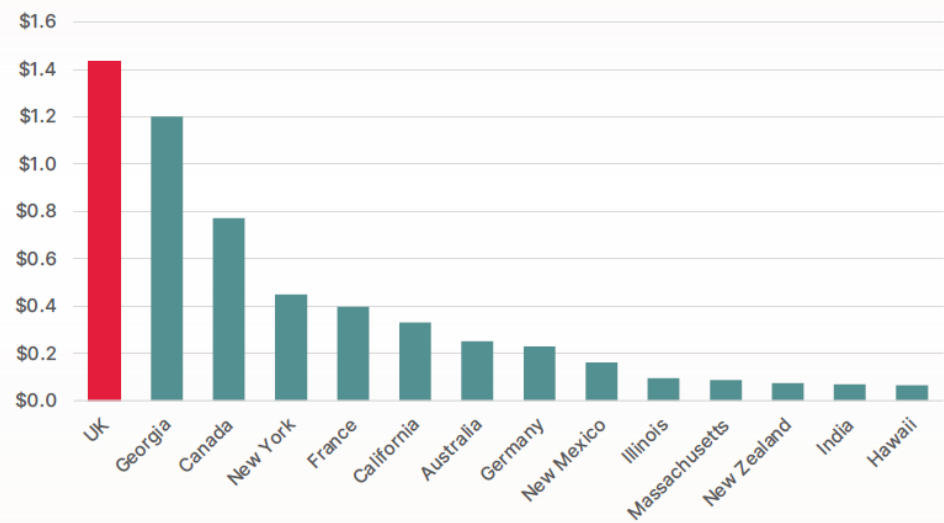
COMPETITIVE LANDSCAPE

PRODUCTION INCENTIVES BY JURISDICTION



Film and Television

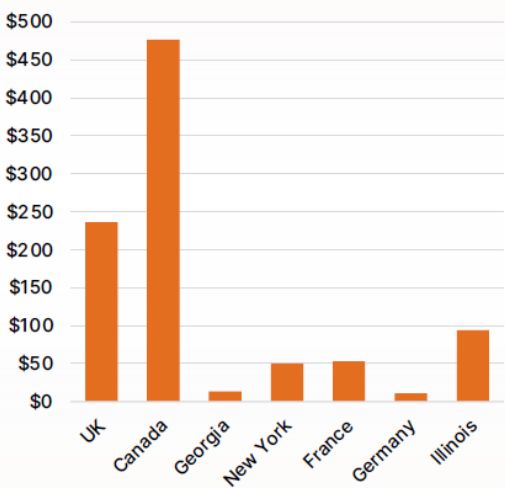
2020 | In Billions of USD



Source: Kearney

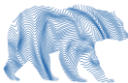
Video Games

2020 | In Millions of USD



8

Source: CVL Economics, Adam Fowler, June 2024



COMPETITIVE LANDSCAPE

ECONOMIC POLICY: TAX INCENTIVES



Feature
Films



Talk
Shows



Reality
Television



Video
Games



Scripted
Television



Game
Shows



Post-Production
Only



Animation



Pilots



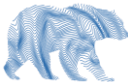
Documentaries



Commercials

1

SOURCE: CVL ECONOMICS; ADMIN. POWER, PAGE 202.



TAX INCENTIVE LANDSCAPE + GLOBAL COMPETITION

	California	New York	Georgia	UK	Canada	Australia
Incentive	16-30%	30-40%	20-30%	25.50%	39.5% (BC) 34.1% (Ontario)	30%
Annual Cap	\$330M	\$700M	None	None	None	None
Credit Cap	\$25 Million	None	None	80% of core expenditures	None	None
Minimum Spend	\$1 Million	\$1 Million	\$500,000	10% of cost must be on UK expenditures	Film: CA\$1M; TV: CA\$200,000 (episodes ≥ 30 minutes); or CA\$100,000 (episodes < 30 minutes)	Film: AU\$20M; TV: AU\$20M, and average QAPE* per hour of at least AU\$1.5M
Incentive Type	Nontransferable, nonrefundable. (Beginning in 2025, refund of credits at 80% exceeding state tax liability.)	Refundable	Transferable	Transferable	Refundable	Rebate

Source: Hollywood Reporter



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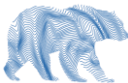
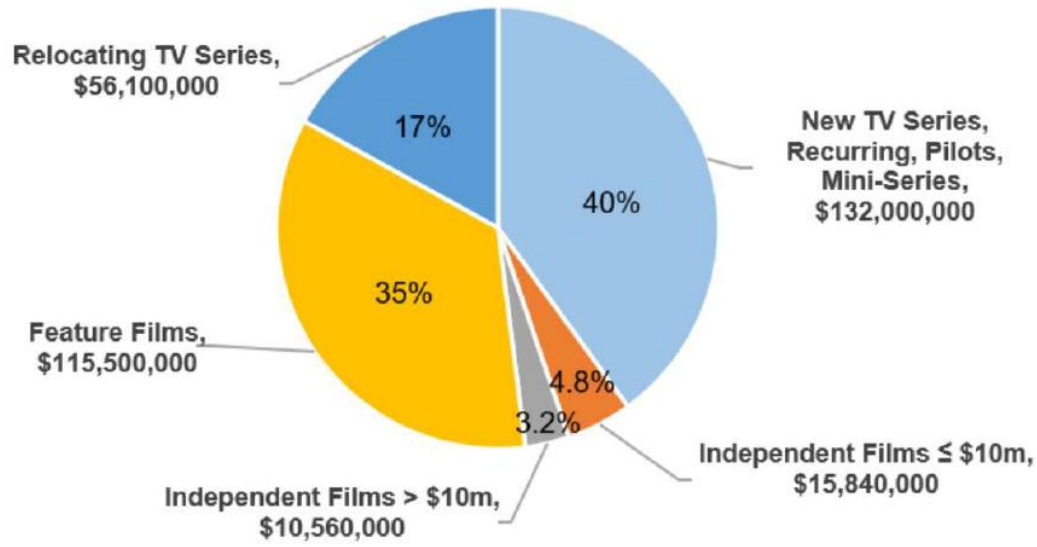


Thank You

Appendix



Funding Categories



Application Windows



Program 3.0 – Fiscal Year 5

TELEVISION PROJECTS

- ✓ June 2024
- ✓ September 2024
- **October 2024**
- March 2025

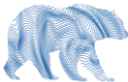
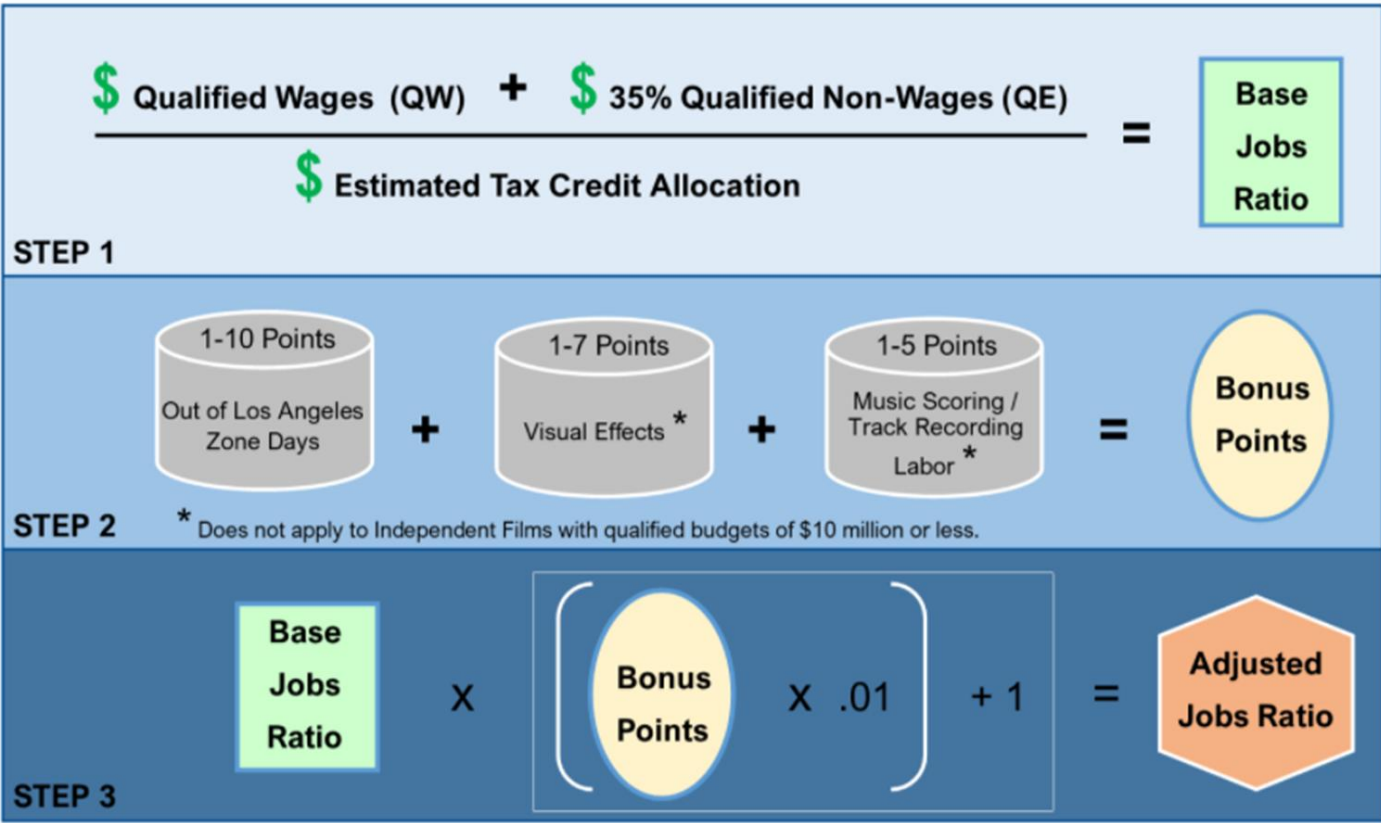
FILMS – INDIES & NON-INDIES

- ✓ July 2024
- **November 2024 (Non-Indies)**
- January 2025



CA FILM COMMISSION – Program 3.0

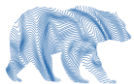
Jobs Ratio Calculation



Career Readiness Program

Participation Options

- Paid Internship
- Faculty Externship
- Classroom Workshop or Panel
- Professional Skills Tour
- Financial Contribution



Career Pathways Program



CA FILM COMMISSION – Program 3.0 & 4.0

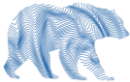
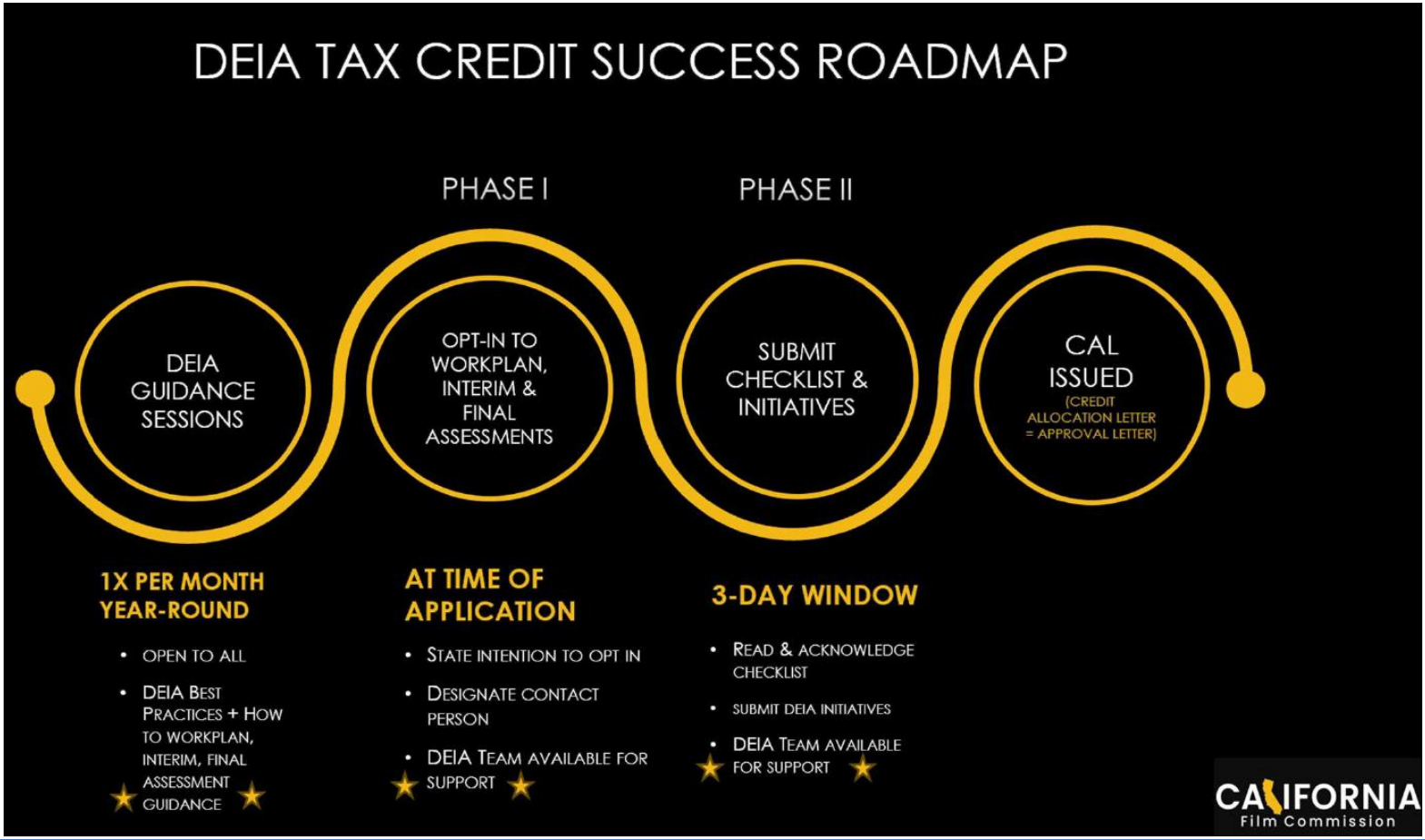
Diversity, Equity, Inclusion, and Accessibility



Everything, Everywhere, All At Once



CA FILM COMMISSION – Program 4.0



CA FILM COMMISSION – Program 4.0

DEIA TAX CREDIT SUCCESS ROADMAP

DEIA
ORIENTATION

**W/IN 20 CALENDAR
DAYS OF CAL**

- ★ • SUPPORT FOR
WORKPLAN,
INTERIM & FINAL
ASSESSMENTS

DEIA
WORKPLAN

**W/IN 30 CALENDAR DAYS
OF CAL**

- FOCUS ON GOAL SETTING
- CAN RESUBMIT 1X
- 30 DAYS FOR RESUBMISSION
- ★ • DEIA TEAM AVAILABLE FOR
SUPPORT ★

INTERIM
ASSESSMENT

**BEFORE PRINCIPAL
PHOTOGRAPHY**

- SHOW PROGRESS
TOWARDS GOALS
- IDENTIFY EXAMPLES &
BARRIERS
- ★ • DEIA TEAM AVAILABLE
FOR SUPPORT ★

FINAL
ASSESSMENT

**W/IN 60 CALENDAR
DAYS AFTER
CREATION OF FINAL
ELEMENT**

- PART 1:
GOALS/GOOD-FAITH
EFFORTS ASSESSMENT
- PART 2: DATA
SUBMISSION
- ★ • DEIA TEAM AVAILABLE
FOR SUPPORT ★

CALIFORNIA



CA FILM COMMISSION – Program 4.0



Diversity Checklist

☐ Inclusive Hiring

Inclusive hiring means minimizing bias during the hiring process, valuing diverse perspectives, and implementing an equitable recruiting process.

Efforts may include, but are not limited to:

- ✓ Conducting outreach to a wide range of candidates by, for example, utilizing DEIA and industry capacity building related staffing resources and lists, among other resources.
- ✓ Expanding access to employment through developing hiring criteria that demonstrate consideration for, but not limited to, the following:
 - graduates of pathway programs.
 - underrepresented individuals who lack established relationships in the motion picture production industry in California.
- ✓ Making interviews and casting sessions accessible to people with disabilities in alignment with applicable state law and the Americans with Disabilities Act of 1990 (ADA).
- ✓ Hiring hair and makeup crew members who are skilled in working with a variety of racial/ethnic hairstyles, textures, facial features and skin tones that reflect the cast members.
- ✓ Hiring a cinematographer and gaffer/chief lighting technician and key grips who are skilled in lighting for a variety of skin tones that reflect the cast members.
- ✓ Hiring a casting director skilled in casting underrepresented individuals in major and minor roles, as well as background, unless the storyline calls for casting of specific racial, ethnic, gender or other characteristics that would impede such casting.



CA FILM COMMISSION – Program 4.0

□ Equity Education

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

Efforts may include, but are not limited to:

- ✓ Setting Equity Education goals and providing training opportunities to address these goals.
- ✓ Building awareness of the production's commitment to DEIA with department heads.
- ✓ Acknowledging what the production hopes to gain from learning about the historical and contemporary experiences of underrepresented communities and people specific to the project.
- ✓ Recognizing the people and communities, including but not limited to California tribal nations, Native communities, and Indigenous peoples, living or located in the geographical area where principal photography is conducted.
- ✓ Sharing a Land Acknowledgement at any point during production.
- ✓ Given that underrepresented communities are disproportionately affected by environmental impacts, building awareness of sustainability efforts during production.



CA FILM COMMISSION – Program 4.0

Diversity Checklist

☐ Industry Capacity Building

Industry Capacity Building means helping to increase an inclusive and qualified workforce and qualified vendor and supplier base in all areas that contribute to motion picture production in California.

Efforts may include, but are not limited to:

- ✓ Helping to increase an inclusive and qualified workforce and qualified vendor and supplier base, including but not limited to the use of apprenticeships, internships, mentoring, and traineeships.
- ✓ Enabling everyone on the production to understand its anti-discrimination and anti-harassment policies and the process for reporting such experiences as well as the steps to be taken once such a report is received.
- ✓ Offering gender-neutral bathrooms on set and in administrative production spaces throughout the production.
- ✓ Ensuring an accessible production in alignment with applicable state law and the ADA.



CA FILM COMMISSION – Program 4.0

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Diversity Checklist

☐ **Supplier Diversity**

Supplier Diversity means contracting with qualified 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.

Efforts may include, but are not limited to:

- ✓ Conducting outreach to diverse suppliers utilizing resources and lists to identify available suppliers.
- ✓ Contracting with diverse suppliers including, if applicable, suppliers reflective of the people and communities specific to the project.



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CA FILM COMMISSION – Program 4.0

Diversity, Equity, Inclusion, and Accessibility

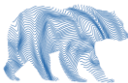
Diversity, equity, inclusion, and accessibility (DEIA) means a commitment to providing equitable, fair, and just access to opportunities for people with varying racial, ethnic and gender identities, disabilities, sexual orientations, and socioeconomic statuses, including those with two or more of these, in an environment that is reasonably accessible to all and fosters a sense of belonging whereby all are welcomed and respected.



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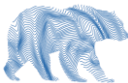
CA FILM COMMISSION – Program 4.0

Filmmaker & Production Resources

The CFC maintains the following list of resources to help support filmmakers, and new and approved tax credit program applicants. The California Film Commission (CFC) is not affiliated with, nor recommending or requiring applicants to utilize these resources. Any organization interested in being added to the list below may email a request to DEIAProgram@film.ca.gov.

Print

Organization Name	Type of Resources	Description	Weblink	Format	Crew Role	Race / Eth.	Gender
Academy of Motion Picture Arts and Sciences Representation and Inclusion	Production Resources	Establishes criteria for diverse representation in films considered for the Academy	Website	Film	Media/PR, Directors	ALL	ALL



CA FILM COMMISSION – Program 4.0

Tax Credit Recipient Annual Diversity Data

The CFC publishes voluntarily self-reported aggregate race/ethnicity and gender data submitted by tax credit allocation recipients during their final audit process.

[Learn More](#)

Tax Credit Applicant Diversity Initiatives

Tax credit applicants with diversity initiatives are required to submit them.

[Learn More](#)

Tax Credit Application Info Sessions

The CFC provides ongoing, open info sessions on applying for the tax credit program in an effort to broaden the number of underrepresented applicants and to dispel myths about the tax credit application process. Please sign up for our Production Alerts ([Production Alerts Sign-up | California Film Commission](#)) to find out when the next session will take place.

CFC Learns

Each month, the CFC hosts an internal informational session with its staff, inviting members of DEIA advocacy groups to participate.

[Learn More](#)

