

REPORT TO THE GENERAL ASSEMBLY

FILM PRODUCTION TAX CREDIT PROGRAM

FY 2015-16



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PROGRAM OVERVIEW

Pennsylvania's Film Production Tax Credit Program (FPTCP) is an economic development tool created to foster the growth and development of the state's film industry. The program, first authorized under Act 55 of 2007 and amended by Act 85 of 2012 and Act 52 of 2013, provides a tax credit equal (in most cases) to 25% of a production's "qualified PA production expenses" provided at least 60% of the production's total budget is spent in Pennsylvania.¹ (Note: Act 84 of 2016 further amends the act, but the changes are not provided in this report since they were not in effect in FY 2015-16.) The types of production eligible for a tax credit include feature films; TV films; talk or game show series, pilots or episodes intended as programming for a national audience; commercials; and documentaries.

An additional 5% in tax credits is provided under Act 85 of 2012 for feature films and television productions intended for a national audience that meet the "minimum stage filming requirements" at a "qualified production facility."² located in Pennsylvania. The minimum stage filming requirements are based on the projected amount of a production's in-state expenditures, with stronger requirements for large-budget productions. To qualify for the additional tax credit, productions with a projected in-state spend of under \$30 million must build at least one set and shoot for a minimum of 10 days at a qualified production facility, and directly spend at least \$1.5 million at the facility, while productions with projected in-state expenditures of \$30 million or more must build at least two sets, shoot for a minimum of 15 days, and have direct expenditures of at least \$5 million at a qualified production facility.

Upon completion of all phases of production (i.e., pre-production, principal photography, and post-production) and after the required independent audit of production expenses and economic impact report have been submitted and approved by the PA Department of Community and Economic Development (DCED), the production is issued a film production tax credit certificate. A production company may use the credit to offset any state taxes owed, or sell or assign the credit to one or more taxpayers. Production companies have three years after the taxable year in which the tax credit is issued to use the credit.

¹The department may waive the 60% requirement for feature films, TV films, or TV series intended for a national audience with PA production expenses of at least \$30 million per production that also meet the minimum stage filming requirements for filming at a qualified production facility (see below) for projects that would be financially beneficial for the commonwealth.

²"Qualified Production Facility." A film production facility located within this commonwealth that contains at least one sound stage with a column-free, unobstructed floor space and meets either of the following criteria:

- (1) Has had a minimum of \$ 10,000,000 invested in the film production facility in land or a structure purchased or ground-up, purpose-built new construction or renovation of existing improvement.
- (2) Meets at least three of the following criteria:
 - (i) a sound stage having an industry standard noise criteria rating of 25 or better;
 - (ii) a permanent grid with a minimum point load capacity of no less than 1,000 pounds at a minimum of 25 points;
 - (iii) built-in power supply available at a minimum of 4,000 amps per sound stage without the need for supplemental generators;
 - (iv) a height from sound stage floor to permanent grid of a minimum of 20 feet;
 - (v) a sound stage with a sliding or roll-up access door with a minimum height of 14 feet;
 - (vi) a built-in HVAC capacity during shoot days with a minimum of 50 tons of cooling capacity available per sound stage;
 - (vii) perimeter security that includes a 24-hour, seven-days-a-week security presence and use of access control identification badges;
 - (viii) on-site lighting and grip department with an available inventory stored at the film production facility with a minimum cost of investment of \$ 500,000;
 - (ix) a sound stage with contiguous production offices with a minimum of 5,000 square feet per sound stage.

Since the program's inception, nearly \$550 million in film production tax credits have been approved/awarded³ to film production companies. These companies, in turn, have directly injected close to \$2.2 billion into the state's economy; generated an estimated \$3.65 billion in total economic activity and \$483 million in total state and local taxes; and supported an estimated 17,420 full-time equivalent jobs, based on 2016 IMPLAN multipliers.

NOTE: The IMPLAN multipliers were substantially revised from prior years. The multipliers for jobs and sales (aka "output") were revised downward to reflect increases in productivity leading to a decrease in the number of workers needed. In contrast, the multiplier for state and local taxes experienced a large upward revision.

It is important to note the figures presented in this report should not be compared with those presented in prior reports.

The totals are revised and updated each year to reflect:

- (1) The addition of productions that were approved for a film production tax credit in the most recently completed fiscal year.
- (2) The deletion of previously approved productions that withdrew from the program.⁴
- (3) The completion of productions approved for the film production tax credit program in years prior to the most recently completed fiscal year, with the data revised to reflect the actual amount of tax credits awarded for each completed production based on the production's actual PA qualified and total spending figures, as certified in an independent audit.
- (4) The reallocation of any unused tax credits from productions that were both approved and completed — or approved and the production subsequently withdrawn — in the most recently completed fiscal year, to productions awaiting approval or productions that received approval for only a portion of the amount of tax credits for which they are eligible (typically large-budget feature films or TV series).⁵
- (5) The utilization of updated/revised Implan multipliers.

³It is important to note the distinction between state tax credits that are "approved" vs. "awarded." Production companies selected to participate in the film tax credit program receive an initial approval letter stating the maximum amount of tax credits the company can receive upon completion of the production. This amount, i.e., the approved amount, is based on the estimated eligible, or "qualified," PA production expenses and the total amount of film production tax credits available for a fiscal year.

Once a production is completed, the actual amount of tax credits awarded is based on the actual dollars spent in Pennsylvania, as certified in an independent audit submitted after all phases of production have been completed. Film productions whose actual qualified expenses are higher than initially estimated are awarded a tax credit equal to the maximum amount specified in the approval letter, despite the production's higher spending level. In contrast, film productions whose actual total PA qualified expenses are below the amount initially specified in the production's application are awarded a smaller amount of tax credits than initially approved. As a result, the total dollar amount of tax credits awarded since the program's inception may be less than the total amount of film tax credits authorized to be awarded in a particular fiscal year.

⁴Almost every year a number of productions withdraw from the film production tax credit program. Some of these are productions with a completed application but have yet to be approved for a film production tax credit. Others are productions that were approved, but withdrew for one or more reasons that prevent the production company from commencing filming in PA within the program's required 90-day window following the production's approval for a film production tax credit. Reasons for withdrawal may include the inability to secure the necessary financing, scheduling conflicts involving key cast members, and/or the lack of qualified production crew members, among others.

⁵Tax credits for a number of larger budget productions may be allocated over two or more fiscal years. Since these productions typically have a long production cycle spanning two or more fiscal years (depending on the production's start date), the total amount of tax credits for which the production is eligible is allocated over the life of the production. In these cases, conditional letters of approval are issued for the portion of tax credits that will be issued in future years, which is subject to the continuation of the program and approval of a sufficient amount of film tax credits during the annual state budget process to meet these obligations.

SUMMARY STATISTICS

SUMMARY FOR FY 2007-08 THROUGH FY 2015-16

The PA Film Office has received and reviewed close to 650 applications for the state's film production tax credit program since the program began in July 2007. The office has approved/awarded tax credits to 417 productions through FY 2015-16. Productions receiving tax credits have ranged from low-budget commercials with production budgets under \$15,000 to major feature films costing well over \$100 million, and have benefited both large Hollywood production companies and young PA film producers just starting out.

NOTE: Data for the seven productions that received approval for tax credits from the FY 2015-16 allocation and conditional approval for additional tax credits from future year allocations is included under the assumption the companies will complete all production activities in PA as outlined in their applications since production has already commenced. Data is not included on the three productions that received conditional letters of approval only for tax credits to be issued in FY 2016-17 and/or subsequent years since production companies at times withdraw from the program prior to production commencing and also because the tax credits to be awarded are contingent on the continued availability of the tax credits.

Tax Credits Approved/Awarded by Type of Film Production, FY 2007-08 through FY 2015-16

The following table provides: (1) the total number of productions; (2) the total dollar amount of tax credits approved/awarded; (3) the average amount of tax credits awarded/approved, (4) the median amount of tax credits approved/awarded; and (5) the total dollar amount of qualified production spending in PA since the program began through FY 2015-16 for each major category of film production.

TAX CREDITS APPROVED/AWARDED BY TYPE OF FILM PRODUCTION

FY 2007-08 through FY 2015-16

Production Type	Total Number of Productions	Total Dollar Amount of Film Tax Credits Approved/Awarded	Average (Mean) Amount of Film Tax Credits Approved/Awarded	Median Amount of Film Tax Credits Approved/Awarded	Qualified Production Spending in Pennsylvania
Commercials	38	\$1,277,630	\$33,622	\$15,730	\$5,455,827
Documentaries	24	\$3,443,388	\$143,475	\$116,611	\$14,503,606
Feature Films	128	\$342,067,881	\$2,672,405	\$289,435	\$1,366,600,134
TV Productions	223	\$199,741,925	\$895,704	\$221,479	\$773,973,617
Other	4	\$337,026	\$84,257	\$85,939	\$1,379,899
Total/Average	417	\$546,867,850	\$1,311,434	\$175,922	\$2,161,913,083

Excludes data for the three productions approved for \$2.4 million in tax credits on a conditional basis only in the upcoming fiscal year(s). Includes data on the seven projects approved for \$34.1 million in tax credits in FY 2015-16 and conditionally approved for \$22.5 million in additional tax credits in future years, under the assumption the program will continue and that these projects will be completed since production has already begun.

As the table above illustrates, TV productions account for the largest number of projects approved/awarded film tax credits since the program began (53% of the total), but feature films have received a majority (i.e., 63%) of the nearly \$550 million in total authorized tax credits. The seeming disparity between the number of projects and dollar amount of tax credits between the two types of production is largely due to the number of large budget feature films that have received tax credits. Specifically, there have been 28 feature films with total production budgets of \$25 million or more, compared to just 11 TV productions. These 28 feature films have a total in-state spend exceeding \$1.1 billion (i.e., roughly 2.6 times that of the 11 TV productions) and have been approved/awarded \$275 million in tax credits, or 80% of the \$342 million in tax credits approved/awarded to the 128 feature films since the program began.

Similarly, the average (mean) dollar amount of film tax credits approved/awarded for feature films is significantly higher than for TV or the other types of film production. However, there is a far smaller difference between feature films and TV productions in the median amount of film tax credits approved/awarded due to the relatively large number of small-budget feature films, i.e., 45% of feature films approved/awarded a tax credit had total production budgets below \$1 million — a proportion just below that of TV shows. As a result, the median award for feature films is only 1.3 times that of TV.

Tax Credits Approved/Awarded by Size of Total Production Budget, FY 2007-08 – FY 2015-16

While lower budget productions, in general, account for a majority of the productions approved/awarded a PA film production tax credit since FY 2007-08, they continue to represent just a small percentage of the total dollars approved/awarded as shown in the table below. The 224 productions with budgets under \$1 million together account for 54% of productions approved/awarded a film tax credit, but for just 3% (i.e., \$17.7 million) of the nearly \$550 million in tax credits approved/awarded since the program began. In contrast, the 13 productions (9 feature films and 4 television shows) with actual or projected budgets of \$50 million or more represent just 3% of the total number of projects, but 40% (or \$216 million) of the total dollar amount of tax credits approved/awarded to date. The total qualified PA expenditures of these 13 large-budget productions are 11.2 times greater than the 224 productions with budgets under \$1 million.

The following table shows: (a) the total number of productions approved/awarded film tax credits through FY 2015-16 according to the size of the total production budget; (b) the total dollar amount of tax credits approved/awarded; (c) the total dollar amount of qualified spending in Pennsylvania; and (d) the percent of total for the various measures. The dollar amount of tax credits and the qualified production spending include the actual amounts for completed productions (based on the figures provided in the required audits and economic impact reports) and the estimated amounts for productions yet to be completed by the end of FY 2014-15, as provided in their project applications.

TAX CREDITS APPROVED/AWARDED BY SIZE OF TOTAL PRODUCTION BUDGET

FY 2007-08 through FY 2015-16

Total Production Size	Number of Productions Approved/Awarded Film Tax Credits	Percent of Total Productions	Total \$ Amount of Tax Credits Approved/Awarded	Percent of Film Tax Credits	Qualified Production Spending in Pennsylvania
<\$100k	33	8%	\$376,203	0.1%	\$1,653,996
100k - \$250k	55	13%	\$1,818,863	0.3%	\$7,533,437
\$250k - \$500k	63	15%	\$4,922,757	0.9%	\$20,939,321
\$500k - \$750k	38	9%	\$4,626,267	0.8%	\$19,658,696
\$750k - \$1 mil	35	8%	\$6,003,171	1%	\$25,182,847
\$1 mil - \$2.5 mil	83	20%	\$25,347,112	5%	\$105,451,452
\$2.5 mil - \$5.0 mil	30	7%	\$21,286,187	4%	\$86,533,410
\$5.0 mil - \$10 mil	26	6%	\$37,920,606	7%	\$155,035,818
\$10 mil - \$25 mil	15	4%	\$51,513,808	9%	\$209,437,457
\$25 mil - \$50 mil	26	6%	\$176,621,101	32%	\$691,437,933
\$50 mil - \$100 mil	9	2%	\$122,309,860	22%	\$457,209,829
\$100+ million	4	1%	\$94,121,917	17%	\$381,838,887
TOTAL	417	100%	\$546,867,850	100%	\$2,161,913,083

Includes data on the seven projects approved for \$34.1 million in tax credits in FY 2015-16 and conditionally approved for \$22.5 million in additional tax credits in future years, under the assumption the program will continue and that these projects will be completed since production has already begun. Excludes data for the three productions approved for \$2.4 million in tax credits on a conditional basis only in the upcoming fiscal year(s).

SUMMARY FOR FY 2015-16

The Pennsylvania Film Office approved 37 of the 44 film production tax credit applications the office received in FY 2015-16. Ten of these were productions that had been approved for \$38.8 million in tax credits from the previous two fiscal year allocations and were approved for an additional round of \$15.3 million in tax credits out of the FY 2015-16 allotment, with one of these productions also receiving conditional approval for \$0.6 million in tax credits from the FY 2016-17 allocation. An additional six productions approved for tax credits from the FY 2015-16 allocation also received conditional approval for \$21.9 million in film tax credits from future year allocations (subject to the availability of future tax credits).

Two additional productions (one documentary and one television production) received conditional approval only for \$0.958 million in tax credits from the FY 2016-17 allocation. One additional production received conditional approval for a tax credit of \$1.441 million from the FY 2017-18 allocation only and no other fiscal year. The data for productions that received conditional approval only is not included in the tables presented below.

Tax Credits Approved by Production Type, FY 2015-16

As in prior years, feature films and television productions accounted for the vast majority of film tax credit approvals in FY 2015-16 in terms of both the number of productions and the total dollar amount of tax credits to be awarded. Together, they accounted for 39 of the 47 approved projects and 83% of the dollar amount of tax credits approved/awarded in FY 2014-15, with six documentaries and three productions categorized as "other" accounting for the remaining approvals.

As of June 30, 2016, 13 productions approved for film tax credits from the FY 2015-16 allocation had completed all phases of production, submitted the requisite audit and economic impact reports, and issued a tax credit certificate by the end of the fiscal year. The actual PA qualified expenditures for five of these productions was below the amount estimated in their applications, which meant the productions were awarded tax credits for amounts less than initially approved. The film office was able to re-allocate the unused tax credits to other productions since the tax credits were approved, awarded, and the tax credit certificate issued all in the same fiscal year.

TAX CREDITS APPROVED BY PRODUCTION TYPE

FY 2015-16 Film Production Tax Credit Authorization

Production Category	Total Number of Productions	Percent of Total Number of Productions	Total Dollar Amount of Tax Credits Approved/Awarded	Percent of Total Dollar Amount of Tax Credits Approved/Awarded
Commercials	0	0%	\$0	0%
Documentaries	6	13%	\$379,520	1%
Feature Films	13	28%	\$14,079,711	23%
TV Productions	26	55%	\$45,368,891	76%
Other	2	4%	\$171,878	0.3%
Total/Average	47	100%	\$60,000,000	100%

Includes data on the seven projects approved for \$34.1 million in tax credits in FY 2015-16 and conditionally approved for \$22.5 million in additional tax credits in future years, under the assumption the program will continue and that these projects will be completed since production has already begun. Excludes data for the three productions approved for \$2.4 million in tax credits on a conditional basis only in the upcoming fiscal year(s).

Tax Credits Approved by Size of Total Production Budget, FY 2015-16

Twenty productions, or close to 45% of the productions approved for a film production tax credit from the FY 2015-16 allocation, had total production budgets under \$1 million — together accounting for just 3% of the fiscal year’s approved tax credits. An additional 13 productions had total budgets between \$1 million and \$5 million. Taken together with the lowest budget productions, these 33 productions (i.e., 6 documentaries, 8 feature films, 17 TV programs, and 2 productions categories as “other”) represented 70% of the productions approved for a film tax credit from the FY 2015-16 allocation, but accounted for just 12% of the total dollar amount of approved tax credits.

The three feature films and six television productions with total budgets over \$25 million accounted for less than 20% of the productions approved for a tax credit from the FY 2015-16 film production tax credit allocation and for 78% (or \$46.6 million) of the \$60 million in approved tax credits for FY 2015-16.

TAX CREDITS APPROVED/AWARDED BY SIZE OF TOTAL PRODUCTION BUDGET

FY 2015-16 Film Production Tax Credit Authorization

Total Production Size	Number of Productions Approved/Awarded Film Tax Credits	Percent of Total Productions	Total \$ Amount of Tax Credits Approved/Awarded	Percent of Film Tax Credits	Qualified Production Spending in Pennsylvania
<\$100k	1	2%	\$24,671	0.04%	\$98,686
100k - \$250k	7	15%	\$286,101	0.5%	\$1,162,148
\$250k - \$500k	5	11%	\$400,391	0.7%	\$1,601,571
\$500k - \$750k	2	4%	\$220,689	0.4%	\$978,223
\$750k - \$1 mil	5	11%	\$905,097	1.5%	\$3,648,701
\$1 mil - \$2.5 mil	6	13%	\$1,402,161	2.3%	\$7,453,154
\$2.5 mil - \$5.0 mil	7	15%	\$3,844,459	6.4%	\$19,618,478
\$5.0 mil - \$10 mil	3	6%	\$3,790,760	6.3%	\$18,017,702
\$10 mil - \$25 mil	2	4%	\$2,572,400	4.3%	\$17,682,251
\$25 mil - \$50 mil	5	11%	\$17,166,818	28.6%	\$143,908,760
\$50 mil - \$100 mil	4	9%	\$29,386,453	49.0%	\$221,436,429
\$100+ million	0	0%	\$0	0.0%	\$0
TOTAL*	47	100%	\$60,000,000	100%	\$435,606,103

** As of June 30, 2016, 13 productions approved for film tax credits from the FY 2015-16 allocation had completed all phases of production activities, submitted the requisite audit and economic impact reports, and been issued a tax credit certificate by the end of the fiscal year. The actual PA qualified expenditures for five of these productions was below the amount estimated in their applications, which meant the productions were awarded tax credits for amounts less than initially approved. The film office was able to re-allocate all of the unused tax credits to other productions.*

FILM PRODUCTION TAX CREDITS APPROVED BY FILM IN FY 2015-16

Section 8711-D(a) of the Film Production Tax Credit Program's enabling legislation (Act 55 of 2007, as amended by Act 85 of 2012) requires the Department of Community and Economic Development (DCED) to submit an annual report to the General Assembly with detailed information on the film productions that were approved for participation in the state's film production tax credit program in the immediately preceding fiscal year, the amount of tax credits claimed, the total amount spent in Pennsylvania by film productions receiving a tax credit, the amount of tax revenues generated, and total jobs created for each production. The data for FY 2015-16 is provided in the following sections of this report.

The first section lists the productions that were approved during FY 2015-16, but had yet to be completed by June 30, 2016. The second section lists the productions that: (1) received film production tax credit certificates and were completed in FY 2015-16 by region and fiscal year in which the tax credit was authorized; (2) the actual amount of tax credits awarded for each production; and (3) the estimated economic impact of the production in terms of sales, employment, and state and local taxes generated. The third and final section provides a list of completed productions that used and/or sold or assigned their film tax credits and the dollar amounts in FY 2015-16, by fiscal year in which the production was approved to participate in the film production tax credit program.

DCED approved 47 applications for film production tax credits from the FY 2015-16 film tax credit authorization; 10 of these productions had also been approved for tax credits from prior year allocations. As of June 30, 2016, 13 productions approved for tax credits from the FY 2015-16 allocation had completed all production activities, submitted the mandated audit and economic impact report, and been issued a tax credit certificate during the 2015-16 fiscal year. (See Table 2 for a listing of the completed productions issued tax credit certificates in FY 2015-16.)

The remaining projects approved in FY 2015-16 were still in production or had completed production but had yet to submit an audit of their expenses to DCED by June 30, 2016 and/or an economic impact report listing the PA and out-of-state expenditures; the number of production days (including pre- and post-production) and PA hotel nights; the number of PA resident and non-resident employees, the amount of wages paid, and hours worked, among other data. There are 49 productions in total that have been approved for film tax credits but have yet to complete all the steps required to be awarded a tax credit certificate since the program began.

Table 1 on the following page lists the productions that were approved for the FPTC program in FY 2015-16 but had **not** completed production and/or filed the required audit and economic impact report in order to be issued a tax credit certificate by June 30, 2016. The table provides the maximum amount of film production tax credits for which each production was approved. This amount is based on the proposed production budget submitted with the production company's application prior to the beginning of production activities and equal to "25% of the qualified film production expenses incurred," or 30% if the production meets the requirements for filming at a qualified production facility. The data is presented by geographic region in which the film production activities largely occurred or will occur.

As noted in earlier sections of this report, in cases where the actual audited amount of total PA qualified expenses upon completion of a film production is less than the amount specified in the proposed budget, the actual amount of tax credits awarded will be appropriately reduced from the maximum amount initially approved by DCED. In cases where the actual audited amount of total PA qualified expenses upon completion of a film production exceeds the amount specified in the proposed budget, the tax credit is limited to the amount specified in the approval letter issued by the department to the production company.

Note: Thirteen projects approved for a film production tax credit in FY 2015-16 completed all phases of production and submitted the required independent audit and economic impact report by June 30, 2016. These film productions are not listed below in Table 1. The data for these projects is presented in Table 2.

TABLE 1

Film Productions Approved in FY 2015-16, but Project NOT Completed by June 30, 2016

Region/Project Title	Entity Name	Maximum Tax
PHILADELPHIA AND THE COUNTRYSIDE		\$15,393,109
Bloodletting	Bloodletting, LLC	\$24,671
Bloodrunners	Speakeasy Pictures, LLC	\$42,724
Call Sheet	Call Sheet Films, LLC (Big Fan Films)	\$53,880
Death House	Death House Movie, LLC (Factory Entertainment Group)	\$218,625
Epic Mysteries	Lawn and Order, LLC (Nancy Glass Productions)	\$304,073
Faster Than Light: the Dream of Interstellar Spaceflight	Spitz, Inc.	\$92,431
Kevin Hart: What Now?	What Now Movie, LLC (Heart Beat Productions)	\$1,956,346
Philadelphia: The Great Experiment (Episodes #11 & 12)	History Making Productions, LLC	\$229,241
QVC Television Programs (9/1/2015 to 8/31/2016)+	QVC, Inc.	\$5,654,676
Restaurant Impossible (Season #12)	MSPT Restaurant Impossible, LLC	\$826,899
Return to Eden: The Legacy of Mary Gibson Henry	Lilium Pictures, LLC	\$148,299
Seeking Solutions with Suzanne (2015/16)	Kelly Ryan Productions	\$269,046
Split	K.W. Crumb Productions, LLC (Blinding Edge Pictures)	\$2,659,647
Tanked (Season #5)	Lawn and Order, LLC (Nancy Glass Productions)	\$1,048,829
Tanked (Season #6)	Tanked 6, LLC (Nancy Glass Productions Inc.)	\$82,284
Texas Vets	Texas Vets, LLC (Nancy Glass Productions Inc.)	\$435,475
The Daily Show with Trevor Noah	Hello Doggie, Inc.	\$412,883
The Forgotten Journey (Kalamar Nykel)	Nancy Glass Productions, Inc.	\$70,097
The Real Story: INVINCIBLE	The Workshop, LLC	\$88,479
Untitled Dan Soder	Raboy Marshall Productions, Inc.	\$79,447
Xploration Nation*+	Steve Rotfeld Productions, Inc.	\$616,054
Zeroes	Zeroes, LLC	\$79,003
PITTSBURGH AND ITS COUNTRYSIDE		\$35,495,793
Banshee (Season #4)	Screaming Spirit Productions, LLC (HBO)	\$2,429,266
Downward Dog (Pilot)	Ruff Draft Productions, LLC (Legendary Pictures)	\$1,096,072
Fences+	Paramount Pictures Corporation	\$4,914,514
Insomnia	Insomnia Movie, LLC	\$70,381
MindHunter+	Em Ache Productions, LLC (Netflix)	\$12,000,000
Outsiders (Season #1)	Woodridge Productions, Inc. (Sony Pictures Television Inc.)	\$4,329,749
Outsiders (Season #2)+	Woodridge Productions, Inc. (Sony Pictures Television Inc.)	\$10,627,438
YINZ	YINZ Movie, LLC	\$28,373
LEHIGH VALLEY		\$807,696
Mission Resolve	Lazarus Films, LLC	\$509,150
Remember Us	Big Monster Entertainment, LLC	\$34,575
Revolutionary Life (partial FY2016/17)	Blue Ninja Productions, Inc.	\$222,984
Rising Tides	Big Monster Entertainment, LLC	\$40,987
STATE TOTAL		\$51,696,598

*Approved for film production tax credits in FY 2015-16 and prior fiscal year(s). Amount of tax credit shown is only FY 2015-16 portion.

+Approved for film production tax credits in FY 2015-16 and conditional approval for credits in subsequent fiscal year(s); amount of tax credit shown is only for the amount approved from the FY 2015-16 allocation.

NOTE: The state total does not sum to \$60 million because it excludes the 13 productions approved for a tax credit in FY 2015-16 that were completed and issued a film production tax credit certificate during the fiscal year. Data for these 13 productions is shown in Table 2.

FILM PRODUCTION TAX CREDIT CERTIFICATES AWARDED IN FY 2015-16

Pursuant to Section 8711 – D(a) of Act 55 of 2007, the data for productions claiming tax credits in FY 2015-16 is presented below by geographic location. It is important to note a tax credit is not “claimed” until a tax credit certificate has been officially issued by DCED upon completion of all phases of production and an independent audit and economic impact submitted and approved by the department.

Table 2 below presents the required information and estimated total economic impact for each production completed and issued a film production tax credit certificate in FY 2015-16. The economic impact figures were calculated using the film industry multipliers from the *IMPLAN* model, as provided by the PA Department of Labor and Industry. It is important to note the *IMPLAN* multipliers are revised annually.

The productions are organized according to the fiscal year in which the tax credit expenditures were authorized except for productions that received tax credit approvals from two different fiscal years. In those cases, the data is combined and the production is listed in the fiscal year of the most recent film production tax credit approval. For example, the data for productions that received tax credits from both the FY 2014-15 and FY 2015-16 allocations will be shown only in the FY 2015-16 table (Table 2a) and will not also be listed in the FY 2014-15 table (Table 2b).

TABLE 2a

Film Production Tax Credits Awarded & Economic Impact for Productions Completed in FY 2015-16

				ESTIMATED ECONOMIC IMPACT Totals Attributable to Production		
Region/Project Title	Entity Name	Total+ Tax Credit Award	Actual PA Production Expenses	Total Sales	Jobs (Annual FTE)	State & Local Taxes
PHILADELPHIA AND THE COUNTRYSIDE		\$20,568,207	\$82,235,798	\$124,587,232	596	\$16,553,120
Barn Hunters (Pilot & Season 1)*+	Juma Entertainment, LLC	\$268,808	\$1,075,230	\$1,628,973	8	\$216,431
Christmas Dreams*	Christmas Dreams, LLC	\$196,275	\$841,983	\$1,275,604	6	\$169,481
Creed (Rocky 7)*	Creed Productions, LLC (MGM Pictures)	\$9,366,157	\$37,464,628	\$56,758,911	272	\$7,541,199
Dangerous Grounds (Season 3)*	Nancy Glass Productions, Inc.	\$559,255	\$2,463,089	\$3,731,580	18	\$495,791
Pope Francis Visits Philadelphia/ The World Meeting of Families 2015	History Making Productions, LLC	\$51,787	\$218,688	\$331,312	2	\$44,019
QVC Television Programs (9/1/2014 to 8/31/2015)*	QVC, Inc.	\$8,623,082	\$33,780,754	\$51,177,842	245	\$6,799,677
Restaurant Impossible (Season 10)*	MSPT Restaurant Impossible, LLC	\$700,309	\$2,984,767	\$4,521,922	22	\$600,799
Restaurant Impossible (Season 11)	MSPT Restaurant Impossible, LLC	\$625,928	\$2,700,237	\$4,090,859	20	\$543,527
The Good Night Show (Season 6.5)	Center City Video, Inc.	\$176,606	\$706,422	\$1,070,229	5	\$142,195
PITTSBURGH AND ITS COUNTRYSIDE		\$1,631,182	\$18,462,403	\$27,970,541	134	\$3,716,269
The Most Wonderful Time (aka Love the Coopers, fka Tis the Season)*	CBS Films Inc.	\$1,631,182	\$18,462,403	\$27,970,541	134	\$3,716,269
LEHIGH VALLEY		\$166,101	\$698,667	\$1,058,481	5	\$140,634
Saving Heroes	Big Monster Entertainment, LLC	\$132,326	\$557,617	\$844,790	4	\$112,242
Six Hours: Surviving Typhoon Yolanda	Big Monster Entertainment, LLC	\$33,775	\$141,050	\$213,691	1	\$28,392
PENNSYLVANIA WILDS		\$141,242	\$660,437	\$1,000,562	5	\$132,938
TomBob Outdoors, Friend in Wild Places (Season 4)	TomBob Outdoors, LLC (Continuous Metal Technology, Inc.)	\$141,242	\$660,437	\$1,000,562	5	\$132,938
FY 2015-16 STATE TOTAL		\$26,414,271	\$102,057,305	\$61,947,685	448	\$2,485,131

* Approved for film production tax credits from FY 2014-15 and FY 2015-16 authorizations. Data shown is combined total for both fiscal years.
+ Production activities also occurred in the Dutch Country Roads region.

TABLE 2b

Film Production Tax Credits Awarded in FY 2015-16 for Tax Credits from FY 2014-15 Tax Credit Authorization

				ESTIMATED ECONOMIC IMPACT Totals Attributable to Production		
Region/Project Title	Entity Name	Total Tax Credit Award	Actual PA Production Expenses	Total Sales	Jobs (Annual FTE)	State & Local Taxes
PHILADELPHIA AND THE COUNTRYSIDE		\$3,115,024	\$13,416,915	\$20,326,626	97	\$2,700,671
Equity	Broad Street Pictures, LLC	\$288,366	\$1,278,514	\$1,936,949	9	\$257,350
Good Night Show (Season 6)	Center City Video, Inc.	\$356,327	\$1,425,307	\$2,159,340	10	\$286,898
Natural Selection	Natural Selection The Movie, LLC (Modoc Spring)	\$162,854	\$651,415	\$986,894	5	\$131,122
Philadelphia: The Great Experiment (Episode 10)	History Making Productions, LLC	\$112,505	\$454,950	\$689,249	3	\$91,576
Restaurant Impossible (Seasons 8 & 9)#	MSPT Restaurant Impossible, LLC	\$1,847,191	\$8,136,042	\$12,326,104	59	\$1,637,692
Seeking Solutions with Suzanne (2014/15)	Kelly Ryan Productions	\$198,316	\$793,265	\$1,201,796	6	\$159,675
The Hunt for Hogzilla	Nancy Glass Productions, Inc.	\$61,965	\$322,187	\$488,113	2	\$64,853
Voiceless	American Hero, LLC	\$87,500	\$355,235	\$538,181	3	\$71,505
PITTSBURGH AND ITS COUNTRYSIDE		\$29,909,850	\$119,553,316	\$181,123,273	867	\$24,064,707
Game Brain (aka Concussion) #	Real Heaven Inc. (Sony Pictures)	\$10,006,751	\$33,355,837	\$50,534,093	242	\$6,714,146
Southpaw#	Hope Films Inc. (The Weinstein Co)	\$5,814,279	\$24,453,698	\$37,047,352	177	\$4,922,248
The Last Witch Hunter#	LWH Productions LLC (Lions-gate/ Summit Productions LLC)	\$14,088,820	\$61,743,781	\$93,541,828	448	\$12,428,313
FY 2014-15 STATE TOTAL		\$33,024,874	\$132,970,231	\$201,449,900	964	\$26,765,738

Approved for film production tax credits from FY 2013-14 and FY 2014-15 authorizations. Data shown is combined total for both fiscal years.

TABLE 2c

Film Production Tax Credits Awarded in FY 2015-16 for Tax Credits from FY 2013-14 Tax Credit Authorization

				ESTIMATED ECONOMIC IMPACT Totals Attributable to Production		
Region/Project Title	Entity Name	Total Tax Credit Award	Actual PA Production Expenses	Total Sales	Jobs (Annual FTE)	State & Local Taxes
PHILADELPHIA AND THE COUNTRYSIDE AND PITTSBURGH AND ITS COUNTRYSIDE		\$5,412,616	\$21,650,463	\$32,800,451	157	\$4,357,989
Foxcatcher	Fair Hill, LLC (Annapurna Productions)	\$5,412,616	\$21,650,463	\$32,800,451	157	\$4,357,989
FY 2014-15 STATE TOTAL		\$5,412,616	\$21,650,463	\$32,800,451	157	\$4,357,989

USE OF TAX CREDITS

Act 55 of 2007, as amended by Act 85 of 2012 and Act 52 of 2013, specifies film production tax credits may be applied against the tax liability of Pennsylvania's personal income tax, corporate net income tax, capital stock and franchise tax, bank shares tax, and/or insurance premiums tax. Film production companies have the option of applying the film production tax credits to any Pennsylvania taxes they owe or selling or assigning the credits to one or more entities. They also may carry over their credits for up to three taxable years following the first taxable year in which the taxpayer (i.e., production company) is entitled to claim the credit.

Purchasers and assignees may use film production tax credits to offset up to 50% of their qualified tax liability for any of the taxes specified in the enabling legislation for the appropriate taxable year. Act 85 of 2012 provides a limited carry forward provision for purchasers or assignees of a film production tax credit for all or any unused portion of tax credit purchased or assigned in calendar year 2010. Such tax credits may be used against qualified tax liabilities incurred in the 2011 and 2012 taxable years. Act 52 of 2013 provides similar carry-forward provisions for tax credits purchased or assigned in calendar years 2013 and 2014, but limits the carry forward to just the following year.

There are no carryback or refund provisions for unused tax credits for either production companies or purchasers/assignees of film production tax credits.

Use of Issued Film Production Tax Credits in FY 2015-16 by Fiscal Year of Tax Credit Authorization

Film production companies may sell or assign their tax credits to one or more entities. In FY 2015-16, nearly \$88.8 million in film production tax credits from 49 film productions were sold, transferred or redeemed. *(Note: There were 11 productions that received tax credits from two fiscal year allocations of film production tax credits. These productions sold or assigned their tax credits, with the amounts listed separately for each of the two fiscal years.)* The vast majority of tax credits (i.e., 99.8%, or \$88.7 million) were sold or transferred to another entity, with just \$133,700 used by production companies to reduce their PA state tax liabilities.

The following tables list the total dollar amount of tax credits used by production companies either to reduce their PA tax liability and/or sold or transferred to another entity or entities by fiscal year in which the production was initially approved for participation in the state's film production tax credit program.

*Please note: The tables list the **total** amount of film production tax credits used by each production company to offset its Pennsylvania tax liability and/ or sold or assigned, and not each individual sale/assignment.*

TABLE 3a

*Use of Issued Film Production Tax Credits in FY 2015-16
FY 2015-16 Tax Credit Authorization*

Project Name	Entity	Amount Used by FPTC Recipient	Amount Sold/Transferred
Barn Hunters (Pilot & Season 1)*	Juma Entertainment, LLC	\$0	\$172,331
Pope Francis Visits Philadelphia/The World Meeting of Families 2015	History Making Productions, LLC	\$0	\$51,787
Restaurant Impossible (Season 10)*	MSPT Restaurant Impossible, LLC	\$0	\$180,228
TOTAL		\$0	\$404,346

* Also awarded film production tax credits in FY 2014-15.

TABLE 3b

*Use of Issued Film Production Tax Credits in FY 2015-16
FY 2014-15 Tax Credit Authorization*

Project Name	Entity	Amount Used by FPTC Recipient	Amount Sold/Transferred
Barn Hunters (Pilot & Season 1)*	Juma Entertainment, LLC	\$0	\$268,808
Game Brain (aka Concussion)+	Real Heaven, Inc. (Sony Pictures)	\$0	\$7,598,230
Good Night Show (Season 6)	Center City Video, Inc.	\$0	\$356,327
Natural Selection	Natural Selection The Movie, LLC (Modoc Spring)	\$0	\$162,854
Philadelphia: The Great Experiment (Episode 10)	History Making Productions, LLC	\$0	\$112,505
Restaurant Impossible (Season 10)*	MSPT Restaurant Impossible, LLC	\$0	\$517,150
Seeking Solutions with Suzanne (2013/14)+	Kelly Ryan Productions	\$0	\$18,092
Southpaw+	Hope Films, Inc. (The Weinstein Co.)	\$0	\$2,907,140
The Sunny Side Up Show 2014+	Center City Video, Inc.	\$0	\$91,658
Voiceless	American Hero, LLC	\$0	\$87,500
TOTAL		\$0	\$12,120,264

* Sale includes film production tax credits awarded in FY 2015-16.

+ Also awarded film production tax credits in FY 2013-14.

TABLE 3c

*Use of Issued Film Production Tax Credits in FY 2015-16
FY 2013-14 Tax Credit Authorization*

Project Name	Entity	Amount Used by FPTC Recipient	Amount Sold/Transferred
6:15	6:15 The Movie, LLC	\$0	\$37,500
Awesome Adventures (2013-2014)	Steve Rotfeld Productions, Inc.	\$0	\$130,904
Bad Boys Crazy Girls (aka Slow Learners)	BBCG Films, LLC (Falconer Pictures)	\$0	\$121,067
Crooked & Narrow	Crooked & Narrow Movie, LLC	\$0	\$10,684
Dangerous Grounds (Season 2)*	Nancy Glass Productions, Inc.	\$0	\$185,579
Devils Night	Devils Night The Movie, LLC	\$0	\$64,283
Do No Harm (Season 1)*	Open 4 Business Productions, LLC (NBC/Universal)	\$0	\$4,201,029
Estranged (fka Sundowning, aka The Visit)	Jamison Farms Productions LLC, (formerly Signatory, LLC)	\$0	\$870,000
Farm Kings (Season 3)	Center City Video, Inc.	\$13,640	\$0
Farm Kings (Season 4)	Center City Video, Inc.	\$0	\$327,811
Fathers and Daughters	F & D Productions, LLC (Voltage Pictures)	\$0	\$5,660,952
Franny	Brandywine 5 PA, Inc.	\$0	\$961,731
Game Brain (aka Concussion)+	Real Heaven, Inc. (Sony Pictures)	\$0	\$2,408,520
Hollidaysburg	Movie A Productions, LLC (The Media Farm)	\$0	\$193,592
How To Get Away With Murder (Pilot)	Touchstone Television DBA ABC Studios, Inc. (Disney)	\$0	\$1,590,976
Philadelphia: The Great Experiment (Episodes 8 & 9)	History Making Productions, LLC	\$0	\$227,125
Seeking Solutions with Suzanne (2013/14)+	Kelly Ryan Productions	\$0	\$237,402
Southpaw+	Hope Films, Inc. (The Weinstein Co)	\$0	\$2,907,139
Tanked (Season 3)*	Nancy Glass Productions, Inc.	\$0	\$377,762
The Best of Greatest Sports Legends (2013-2014)	Steve Rotfeld Productions, Inc.	\$0	\$137,646
The Chair	Chair One Productions, LLC (The Media Farm)	\$0	\$254,203
The Last Witch Hunter+	LWH Productions, LLC (Lionsgate/Summit Productions, LLC)	\$0	\$8,000,000
The Sunny Side Up Show 2014+	Center City Video, Inc.	\$0	\$391,780
Tombob Outdoors Friends in Wild Places	Tombob Outdoors, LLC	\$0	\$57,945
Untitled Shane Dawson Comedy "Not Cool"	Movie S Productions, LLC (The Media Farm)	\$0	\$199,308
Urban Trinity: The Story of Catholic Philadelphia	History Making Productions, LLC	\$0	\$229,364
Whaddyado (2013-2014)	Steve Rotfeld Productions, Inc.	\$0	\$78,812
Wild About Animals (2013-2014)	Steve Rotfeld Productions, Inc.	\$0	\$96,520
Xploration Nation#	Steve Rotfeld Productions, Inc.	\$0	\$616,054
TOTAL		\$13,640	\$30,575,688

* Also awarded film production tax credits in FY 2012-13.

+ Also awarded film production tax credits in FY 2014-15.

Also awarded film production tax credits in FY 2015-16 and FY 2016-17; data reflects the production's FY 2013-14 tax credits only.

TABLE 3d

*Use of Issued Film Production Tax Credits in FY 2015-16
FY 2012-13 Tax Credit Authorization*

Project Name	Entity	Amount Used by FPTC Recipient	Amount Sold/Transferred
Dangerous Grounds (Season 2)*	Nancy Glass Productions, Inc.	\$0	\$323,758
Do No Harm (Pilot)+	Open 4 Business, LLC (Universal Studios)	\$0	\$212,711
Do No Harm (Season #1)*	Open 4 Business Productions, LLC (NBC/Universal)	\$0	\$5,104,564
Foxcatcher	Fair Hill, LLC (Annapurna Productions)	\$0	\$5,412,616
McCanick	McCanick, LLC	\$0	\$62,063
One Shot (released as Jack Reacher)+	Paramount Pictures Corporation	\$0	\$2,512,794
Tanked (Season 3)*	Nancy Glass Productions, Inc.	\$0	\$668,236
The North Star	The North Star, LLC	\$0	\$130,787
The Promised Land+	Gramercy Productions, LLC (NBC Universal)	\$0	\$2,673,094
Those Who Kill (Pilot & Series)	Pacific 2.1 Entertainment Group, Inc. (FOX)	\$120,060	\$5,957,359
TOTAL		\$120,060	\$12,120,264

* Also awarded film production tax credits in FY 2013-14.

+ Also awarded film production tax credits in FY 2011-12.

TABLE 3d

*Use of Issued Film Production Tax Credits in FY 2015-16
FY 2011-12 Tax Credit Authorization*

Project Name	Entity	Amount Used by FPTC Recipient	Amount Sold/Transferred
1000 AE (aka After Earth)*	Nova Prime, Inc.	\$0	\$3,715,000
Do No Harm (Pilot)*	Open 4 Business, LLC (Universal Studios)	\$0	\$1,081,450
One Shot (released as Jack Reacher) *	Paramount Pictures Corporation	\$0	\$12,000,000
Silver Linings Playbook	SLP Films, Inc. (The Weinstein Company)	\$0	\$4,458,824
The Chief	The Chief Partners, LLC	\$0	\$143,568
The Haney Project (Camp Haney)	The Workshop, LLC	\$0	\$89,880
The Lurking Fear	PA Feature Film Productions, LLC	\$0	\$111,721
The Promised Land*	Gramercy Productions, LLC (NBC Universal)	\$0	\$674,971
TOTAL		\$0	\$22,275,414

* Also awarded film production tax credits in FY 2012-13.

TABLE 3a

*Use of Issued Film Production Tax Credits in FY 2015-16
FY 2010-11 Tax Credit Authorization*

Project Name	Entity	Amount Used by FPTC Recipient	Amount Sold/Transferred
Twisted Justice (released as Kids for Ca\$h)	Justice Project, LLC	\$0	\$220,589
TOTAL		\$0	\$232,015

TABLE 3f

*Summary Table: Use of Issued Film Production Tax Credits in FY 2015-16
by Fiscal Year of Tax Credit Authorization*

Fiscal Year	Total Number of Productions	Amount Used by FPTC Recipient	Amount Sold/Transferred
FY 2007-08	0	\$0	\$0
FY 2008-09	0	\$0	\$0
FY 2009-10	0	\$0	\$0
FY 2010-11	1	\$0	\$220,589
FY 2011-12	8	\$0	\$22,275,414
FY 2012-13	10	\$120,060	\$23,057,982
FY 2013-14	29	\$13,640	\$30,575,688
FY 2014-15	10	\$0	\$12,120,264
FY 2015-16	2	\$0	\$404,346
TOTAL	49	\$133,700	\$88,654,283

NOTE: Several productions received film production tax credits from two or more fiscal year tax credit allocations. While they are included in the count for each fiscal year each production received a tax credit, the figure shown for the Grand Total Number of Productions is a discrete total to provide an unduplicated count of productions.