

REPORT TO THE GENERAL ASSEMBLY

FILM PRODUCTION TAX CREDIT PROGRAM

FY 2016-17



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REPORT TO THE GENERAL ASSEMBLY PENNSYLVANIA'S FILM PRODUCTION TAX CREDIT PROGRAM FY 2016-17

PROGRAM OVERVIEW

Pennsylvania's Film Production Tax Credit Program 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, Act 52 of 2013, and Act 84 of 2016 — provides a tax credit equal (in most cases) to 25 percent of a production's "qualified PA production expenses," provided at least 60 percent of the production's total budget is spent in Pennsylvania.¹ (*Note: The changes to the program under Act 84 of 2016 are not provided in this report since they do not take effect until FY 2017-18.*) The types of production eligible for a tax credit include feature films; TV films, talk or game show series, and pilots or episodes intended as programming for a national audience; commercials; and documentaries.

An additional 5 percent 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. 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 the submission and approval of a required independent audit of production expenses and economic impact report 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.

¹ The department may waive the 60 percent 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 and that 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, close to \$595 million in Film Production Tax Credits has been approved/awarded³ to film production companies. These companies, in turn, have directly injected well over \$2.3 billion into the state's economy; generated an estimated \$4 billion in total economic activity and \$528 million in total state and local taxes; and supported an estimated 18,680 full-time equivalent jobs, based on 2017 *IMPLAN* multipliers.

NOTE: The *IMPLAN* multipliers are revised annually, with the multipliers for prior years adjusted and tied to the most recent year. The 2016 multipliers for jobs and sales (aka "output") were substantially revised downward to reflect increases in productivity and subsequent decrease in the number of workers needed, while the multiplier for state and local taxes received 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 Film Production Tax Credits with the initial spending estimates revised to reflect the actual amount of Pennsylvania qualified expenses, the production's total expenses, and the tax credits awarded.
- (4) The reallocation of 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 (i.e., large-budget feature films or TV series).⁵
- (5) The utilization of updated/revised *Implan* multipliers.

³ It is important to note the distinction between state tax credits that are "approved" vs. "awarded." Production companies selected to participate in the Film Production 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," Pennsylvania 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 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.

⁴ Almost 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 prevented 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. Finally, productions that fail to complete all production activity and/or file the requisite end-of-production audit and reports within the allotted time period are withdrawn.

⁵ Tax 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 dollar amount of film production tax credits during the annual state budget process to meet these obligations in the subsequent years.

SUMMARY STATISTICS

SUMMARY FOR FY 2007-08 THROUGH FY 2016-17

The Pennsylvania Film Office has received and reviewed close to 700 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 444 productions through FY 2016-17. 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 Pennsylvania film producers just starting out.

Note: Data for the four productions that received approval for tax credits from the FY 2016-17 allocation and conditional approval for additional tax credits from future year allocations is included under the assumption the companies will complete all production activities as outlined in their applications since production has already begun. Data is not included for the five productions that received conditional approval only for tax credits to be issued in FY 2017-18 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 credit program.

Tax Credits Approved/Awarded by Type of Film Production, FY 2007-08 through FY 2016-17

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 2016-17 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	27	\$3,839,352	\$142,198	\$119,430	\$16,239,249
Feature Films	135	\$370,066,014	\$2,741,230	\$290,504	\$1,464,171,453
TV Productions	240	\$217,967,822	\$908,199	\$226,884	\$857,576,199
Other	4	\$329,292	\$82,323	\$82,072	\$1,348,964
Total/Average	444	\$593,480,110	\$1,336,667	\$187,998	\$2,344,791,691

Excludes data for the five productions approved for \$15.7 million in tax credits on a conditional basis only in the upcoming fiscal year(s). Includes data on the four projects approved for \$21.6 million in tax credits in FY 2016-17 and conditionally approved for \$16.5 million in additional tax credits in future years, under the assumption the program will continue and 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 (54 percent of the total), but feature films have received a majority (i.e., 62 percent) of the \$593.5 million in total approved/awarded 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 receiving tax credits. Specifically, there have been 30 feature films with total production budgets of \$25 million or more, compared to just 13 TV productions. These 30 feature films have a total in-state spend of nearly \$1.2 billion (i.e., roughly 2.4 times that of the 13 TV productions) and have been approved/awarded \$293 million in tax credits, or 80

percent of the \$370 million in tax credits approved/awarded to the 135 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., 43 percent 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 1.2 times that of TV.

Tax Credits Approved/Awarded by Size of Total Production Budget, FY 2007-08 - FY 2016-17

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 230 productions with budgets under \$1 million together account for 52 percent of productions approved/awarded a film tax credit, but for just 3 percent (i.e., \$18.5 million) of the \$593.5 million in tax credits approved/awarded since the program began. In contrast, the 12 productions (10 feature films and 2 television shows) with actual or projected budgets of \$50 million or more represent less than 3 percent of the total number of projects, but 34 percent (or \$200.2 million) of the total dollar amount of tax credits approved/awarded to date. The total Pennsylvania qualified expenditures of these 12 large-budget productions are 10 times greater than the 230 productions with budgets under \$1 million.

The following table shows: (a) the total number of productions approved/awarded film tax credits through FY 2016-17 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 2016-17, as provided in their project applications.

Tax Credits Approved/Awarded by Size of Total Production Budget FY 2007-08 through FY 2016-17

Total Production Budget	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	31	7%	\$330,973	0.1%	\$1,473,120
100k - \$250k	57	13%	\$1,859,847	0.3%	\$7,822,212
\$250k - \$500k	66	15%	\$5,111,633	0.9%	\$21,713,137
\$500k - \$750k	40	9%	\$5,001,066	0.8%	\$21,198,884
\$750k - \$1 mil	36	8%	\$6,161,625	1%	\$25,816,667
\$1 mil - \$2.5 mil	87	20%	\$25,989,231	4%	\$108,099,818
\$2.5 mil - \$5.0 mil	40	9%	\$27,891,989	5%	\$113,138,715
\$5.0 mil - \$10 mil	26	6%	\$36,391,014	6%	\$150,690,550
\$10 mil - \$25 mil	18	4%	\$63,917,563	11%	\$254,159,159
\$25 mil - \$50 mil	31	7%	\$220,608,526	37%	\$861,014,486
\$50 mil - \$100 mil	8	2%	\$106,094,728	18%	\$397,826,057
\$100+ million	4	1%	\$94,121,917	16%	\$381,838,887
TOTAL	444	100%	\$593,480,110	100%	\$2,344,791,691

Excludes data for the five productions approved for \$15.7 million in tax credits on a conditional basis only in the upcoming fiscal year(s). Includes data on the four projects approved for \$21.6 million in tax credits in FY 2016-17 and conditionally approved for \$16.5 million in additional tax credits in future years, under the assumption the program will continue and these projects will be completed since production has already begun.

SUMMARY FOR PRODUCTIONS APPROVED/AWARDED TAX CREDITS IN FY 2016-17

The Pennsylvania Film Office approved 31 of the 46 Film Production Tax Credit applications the office received in FY 2016-17. Five of these productions had been approved for \$30.4 million in tax credits from previous fiscal year allocations and were approved for an additional \$14.7 million in tax credits from the FY 2016-17 allotment, with one of these productions also receiving conditional approval for \$5.0 million in tax credits from the FY 2017-18 allocation. An additional three productions approved for tax credits from the FY 2016-17 allocation also received conditional approval for \$11.5 million in film tax credits from future year allocations (subject to the availability of future tax credits).

Five additional productions (two feature films and three television productions) received conditional approval only for \$15.7 million in total in tax credits from the FY 2017-18 and FY 2018-19 allocations. The productions that received conditional approval only are excluded from the tables presented below.

Tax Credits Approved by Production Type, FY 2016-17

As in prior years, feature films and television productions accounted for the vast majority of film tax credit approvals in FY 2016-17 in terms of both the number of productions and the total dollar amount of tax credits to be awarded. Together, they accounted for 28 of the 31 approved projects and 99 percent of the dollar amount of tax credits approved/awarded in FY 2016-17, with three documentaries accounting for the remaining approvals.

As of June 30, 2017, three productions approved for Film Production Tax Credits from the FY 2016-17 allocation had completed all phases of production, submitted the requisite audit and economic impact reports, and were issued a tax credit certificate by the end of the fiscal year.

**Tax Credits Approved by Production Type
FY 2016-17 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	3	10%	\$395,964	1%
Feature Films	9	29%	\$25,169,391	42%
TV Productions	19	61%	\$34,434,645	57%
Other	0	0%	\$0	0%
TOTAL	31	100%	\$60,000,000	100%

Excludes data for the five productions approved for \$15.7 million in tax credits on a conditional basis only in the upcoming fiscal year(s). Includes data on the four projects approved for \$21.6 million in tax credits in FY 2016-17 and conditionally approved for \$16.5 million in additional tax credits in future years, under the assumption the program will continue and these projects will be completed since production has already begun.

Tax Credits Approved by Size of Total Production Budget, FY 2016-17

Nine productions, or close to 30 percent of the productions approved for a Film Production Tax Credit from the FY 2016-17 allocation, had total production budgets under \$1 million — accounting for just 2 percent in total of the fiscal year’s approved tax credits. An additional 10 productions had total budgets between \$1 million and \$5 million. Taken together with the lowest budget productions, these 19 productions (i.e., three documentaries, five feature films, and eleven TV programs) represented 61 percent of the productions approved for a film tax credit from the FY 2016-17 allocation, but accounted for just 11 percent of the total dollar amount of approved tax credits.

The three feature films and five television productions with total budgets over \$25 million accounted for less than 26 percent of the productions approved for a tax credit from the FY 2016-17 Film Production Tax Credit allocation and for 72 percent (or \$43.2 million) of the \$60 million in approved tax credits for FY 2016-17.

Tax Credits Approved/Awarded by Size of Total Production Budget FY 2016-17 Film Production Tax Credit Authorization

Total Production Budget	Number of Productions Approved for Film Tax Credits	Percent of Total Productions	\$ Amount of Tax Credits Approved/Awarded	Percent of Total Film Tax Credits Approved/Awarded	Projected/ Actual Spending in Pennsylvania
<\$100k	0	0%	\$0	0%	\$0
100k - \$250k	2	6%	\$82,944	0.1%	\$331,777
\$250k - \$500k	1	3%	\$81,216	0.1%	\$324,867
\$500k - \$750k	3	10%	\$454,246	1%	\$1,857,974
\$750k - \$1 mil	3	10%	\$606,320	1%	\$2,425,285
\$1 mil - \$2.5 mil	5	16%	\$1,224,819	2%	\$5,815,384
\$2.5 mil - \$5.0 mil	5	16%	\$3,948,298	7%	\$15,793,192
\$5.0 mil - \$10 mil	1	3%	\$1,130,055	2%	\$4,520,222
\$10 mil - \$25 mil	3	10%	\$9,267,728	15%	\$41,298,689
\$25 mil - \$50 mil	5	16%	\$22,263,110	37%	\$152,310,049
\$50 mil - \$100 mil	3	10%	\$20,941,264	35%	\$162,052,657
\$100+ million	0	0%	\$0	0%	\$0
TOTAL*	31	100%	\$60,000,000	100%	\$386,730,096

As of June 30, 2017, three productions approved for film tax credits from the FY 2016-17 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.

FY 2016-17 FILM PRODUCTION TAX CREDIT ACTIVITY, BY FILM

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 2016-17 is provided in the following sections of this report.

The first section lists the 28 productions that were approved during FY 2016-17, but had yet to be completed by June 30, 2017. The second section lists the productions that: (1) received Film Production Tax Credit certificates and were completed in FY 2016-17 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 Production Tax Credits and the dollar amounts in FY 2016-17, by fiscal year in which the production was approved to participate in the Film Production Tax Credit Program.

DCED approved 31 applications for Film Production Tax Credits from the FY 2016-17 Film Production Tax Credit allocation; with five of these productions approved for tax credits from prior year allocations. As of June 30, 2017, three productions approved for tax credits from the FY 2016-17 allocation had completed all production activities, submitted the required audit and economic impact report, and been issued a Film Production Tax Credit Certificate during the 2016-17 fiscal year. (See Table 2 for a listing of the completed productions issued Film Production Tax Credit Certificates in FY 2016-17.)

The remaining projects approved in FY 2016-17 were still in production or had completed production but had yet to submit an audit of their expenses to DCED by June 30, 2017 and/or an economic impact report listing the Pennsylvania qualified and out-of-state expenditures; the number of production days (including pre- and post-production); the number of Pennsylvania resident and non-resident employees, the amount of wages paid, and hours worked, among other data. As of July 1, 2017, there were 47 productions approved for the Film Production Tax Credit Program in FY 2016-17 or previous years that had yet to complete all the steps required to be issued a Film Production Tax Credit Certificate.

Table 1 on the following page lists the productions that were approved for the Film Production Tax Credit Program in FY 2016-17 but had **not** completed production and/or filed the required audit and economic impact report in order to be issued a Film Production Tax Credit Certificate by June 30, 2017. 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 percent of the qualified film production expenses incurred," or 30 percent if the production meets the requirements for filming at a qualified production facility, subject to the total amount of tax credits available. 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 Pennsylvania 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 Pennsylvania 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.

Table 1. Film Production Tax Credits Approved But Project Not Completed in FY 2016-17 By Region

Note: Three projects approved for a Film Production Tax Credit in FY 2016-17 had completed all phases of production, submitted the required independent audit and economic impact report, and were awarded a Film Production Tax Credit Certificate before the end of the fiscal year (i.e., by June 30, 2017). These film productions are not listed below in Table 1. The data for these productions is presented in Table 2.

Table 1. Film Productions Approved in FY 2016-17, But Project NOT Completed by June 30, 2017		
Region/Project Title	Entity Name	Maximum Tax Credit Approved
Philadelphia and The Countryside		\$17,503,510
Big Easy Motors	Big East Motors LLC (Nancy Glass Productions)	\$635,529
Delco Proper (Pilot)	Pointless Studio Productions Inc. (Avalon-USA, Viacom)	\$178,193
Fright Fest	4Bs Entertainment, LLC	\$278,635
GoPro PGA Golf Series	The Workshop, LLC	\$81,216
Greatest Holiday Commercials	Juma Entertainment, LLC	\$180,342
Greatest Sports Legend Presents	Steve Rotfeld Productions, Inc.	\$267,007
How to Get Girls	How to Get Girls, LLC (Glass Entertainment Group, LLC)	\$167,500
Outrageous Sports Screw-Ups	Steve Rotfeld Productions, Inc.	\$855,042
Philadelphia: The Great Experiment (#13 & 14)	History Making Productions, LLC	\$239,295
QVC Television Programs (9/1/2015 to 8/31/2016)*	QVC, Inc.	\$3,044,826
QVC Television Programs (9/1/2016 to 8/31/2017)	QVC, Inc.	\$4,000,000
Restaurant Impossible (Season #13)	MSPT Restaurant Impossible, LLC	\$645,523
Seeking Solutions with Suzanne (2016/17)	Kelly Ryan Productions	\$323,836
Untouchable*	Feel Good Films, Inc. (The Weinstein Company)	\$5,105,936
Whisper	Whisper Film Co (Nationlight Productions, LLC)	\$46,875
Xploration Nation	Steve Rotfeld Productions, Inc.	\$616,055
Xploration Station: Xploration Sports Science & Xploration Science Fact or Fiction	Steve Rotfeld Productions, Inc.	\$837,700
Pittsburgh and Its Countryside		\$37,448,694
Downward Dog (Season #1)	Ruff Draft Productions, LLC (Legendary Pictures)	\$3,904,363
Gone (fka One Kick)*	Open 4 Business Productions, LLC (NBCU International Studios)	\$6,500,801
Last Flag Flying	Last Flag Flying Productions, LLC (Big Indie Pictures)	\$4,747,310
MindHunter**	Em Ache Productions, LLC (Netflix)	\$6,366,329
Outsiders (Season #2)*	Woodridge Productions, Inc. (Sony Pictures Television, Inc.)	\$4,526,683
Prepared For A Purpose	Topanga Productions Inc. (Sony Pictures Television, Inc.)	\$1,130,055
The Great One	the Great One Movie, LLC	\$188,832
The Hustler	Hustler Film, LLC	\$36,069
Where'd You Go, Bernadette	Twenty Mile Productions, LLC (Annapurna Pictures)	\$10,048,252
Lehigh Valley		\$3,611,547
Eternal Springs*	Lazarus Films, LLC	\$3,611,547
Upstate PA		\$974,504
The Virtuoso	Virtuoso Productions, LLC	\$974,504
STATE TOTAL		\$59,538,255

*Approved for Film Production Tax Credits in FY 2016-17 and prior fiscal year(s). Amount of tax credit shown is *only* the FY 2016-17 portion.

+Approved for Film Production Tax Credits in FY 2016-17 and conditional approval for credits in subsequent fiscal year(s); amount of tax credit shown is *only* for the amount approved from the FY 2016-17 allocation.

NOTE: The state total does not sum to \$60 million because it excludes the 3 productions approved for a tax credit in FY 2016-17 that were completed and issued a Film Production Tax Credit Certificate during the fiscal year. Data for these 3 productions is shown in Table 2.

FILM PRODUCTION TAX CREDIT CERTIFICATES AWARDED IN FY 2016-17

Pursuant to Section 8711 – D(a) of Act 55 of 2007, the data for productions claiming tax credits in FY 2016-17 is presented below by geographic location. It is important to note a tax credit is not “claimed” until a Film Production 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 2016-17. The economic impact figures were calculated using the film industry multipliers from the *IMPLAN* model, as provided by the Pennsylvania 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 2015-16 and FY 2016-17 allocations will be shown only in the FY 2016-17 table (Table 2a) and will not also be listed in the FY 2015-16 table (Table 2b).

Table 2. Film Production Tax Credit Certificates Awarded & Economic Impact For Productions Completed in FY 2016-17

Table 2a. Film Production Tax Credit Certificates Awarded in FY 2016-17 for Tax Credits From FY 2016-17 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		\$120,600	\$503,182	\$762,321	1	\$99,979
The Batman Betrayal (r/a Batman & Bill)	Uncredited, LLC (9.14 Pictures)	\$120,600	\$503,182	\$762,321	1	\$99,979
Lehigh Valley		\$397,983	\$1,616,099	\$2,448,390	2	\$321,108
Revolutionary Life*	Blue Ninja Productions, Inc.	\$397,983	\$1,616,099	\$2,448,390	2	\$321,108
Pennsylvania Wilds		\$166,146	\$684,792	\$1,037,460	1	\$136,063
TomBob Outdoors, Friend in Wild Places (Season 5)	TomBob Outdoors, LLC (Continuous Metal Technology, Inc.)	\$166,146	\$684,792	\$1,037,460	1	\$136,063
FY 2016-17 STATE TOTAL		\$684,729	\$2,804,073	\$4,248,171	4	\$557,150

* Approved for Film Production Tax Credits from FY 2015-16 and FY 2016-17 authorizations. Data shown is combined total for both fiscal years.

Table 2b.
Film Production Tax Credit Certificates Awarded in FY 2016-17 for Tax Credits From
FY 2015-16 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		\$7,327,765	\$27,880,922	\$42,239,597	42	\$5,539,744
Bloodletting	Bloodletting, LLC	\$15,954	\$63,815	\$96,680	1	\$12,680
Bloodrunners	Speakeasy Pictures, LLC	\$33,768	\$177,265	\$268,556	1	\$35,221
Call Sheet	Call Sheet Films, LLC (Big Fan Films)	\$53,880	\$233,832	\$354,255	1	\$46,461
Death House	Death House Movie, LLC (Factory Entertainment Group)	\$187,163	\$748,697	\$1,134,276	1	\$148,761
Epic Mysteries	Lawn and Order, LLC (Nancy Glass Productions)	\$286,599	\$1,146,395	\$1,736,788	2	\$227,781
Kevin Hart: What Now?	What Now Movie, LLC (Heart Beat Productions)	\$1,820,307	\$7,281,226	\$11,031,057	11	\$1,446,729
Philadelphia: The Great Experiment (Episodes #11 & 12)	History Making Productions, LLC	\$229,241	\$972,639	\$1,473,548	1	\$193,257
Restaurant Impossible (Season #12) ⁺	MSPT Restaurant Impossible, LLC	\$782,231	\$3,128,922	\$4,740,317	5	\$621,695
Seeking Solutions with Suzanne (2015/16)	Kelly Ryan Productions	\$225,298	\$901,192	\$1,365,306	1	\$179,061
Split	K.W. Crumb Productions, LLC (Blinding Edge Pictures)	\$2,592,674	\$8,642,248	\$13,093,006	13	\$1,717,154
The Daily Show with Trevor Noah	Hello Doggie, Inc.	\$412,883	\$1,833,623	\$2,777,939	3	\$364,328
Untitled Dan Soder (a/k/a Dan Soder: Not Special)	Raboy Marshall Productions, Inc.	\$71,713	\$286,851	\$434,579	1	\$56,995
Xploration Nation (FY2015/16)	Steve Rotfeld Productions, Inc.	\$616,054	\$2,464,217	\$3,733,289	4	\$489,623
Lehigh Valley		\$75,562	\$377,579	\$572,032	1	\$75,022
Remember Us	Big Monster Entertainment, LLC	\$34,575	\$202,140	\$306,242	1	\$40,164
Rising Tides	Big Monster Entertainment, LLC	\$40,987	\$175,439	\$265,790	1	\$34,859
Pittsburgh and Its Countryside		\$17,316,312	\$61,460,770	\$93,113,067	93	\$12,211,825
Banshee (Season #4)*	Screaming Spirit Productions, LLC (HBO)	\$11,706,717	\$39,022,389	\$59,118,919	59	\$7,753,476
Downward Dog (Pilot)	Ruff Draft Productions, LLC (Legendary Pictures)	\$921,144	\$3,684,576	\$5,582,133	6	\$732,099
Fences	Paramount Pictures Corporation	\$4,688,451	\$18,753,805	\$28,412,015	28	\$3,726,250
FY 2015-16 STATE TOTAL		\$24,719,639	\$89,719,271	\$135,924,696	136	\$17,826,591

[#] Approved for Film Production Tax Credits from FY 2014-15 and FY 2015-16 authorizations. Data shown is combined total for both fiscal years.
⁺ Film production activity also took place in Dutch Country Roads region.

Table 2c. Film Production Tax Credit Certificates Awarded in FY 2016-17 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
Pittsburgh and Its Countryside		\$9,195,195	\$36,780,779	\$55,722,880	56	\$7,308,083
I/I	And So Like LLC	\$38,317	\$153,266	\$232,198	1	\$30,453
Outsiders (Season #1, fka Titans)	Woodridge Productions, Inc. (Sony Pictures Television, Inc.)	\$9,156,878	\$36,627,513	\$55,490,682	55	\$7,277,630
Philadelphia and The Countryside		\$616,054	\$2,464,217	\$3,733,289	4	\$489,623
Xploration Nation (FY2014/15)	Steve Rotfeld Productions, Inc.	\$616,054	\$2,464,217	\$3,733,289	4	\$489,623
FY 2014-15 STATE TOTAL		\$9,811,249	\$39,244,996	\$59,456,169	59	\$7,797,706

Table 2c. Film Production Tax Credit Certificates Awarded in FY 2016-17 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
Pittsburgh and Its Countryside						
American Pastoral	American Pastoral Productions, LLC (Lakeshore Entertainment Group, LLC)	\$3,759,664	\$15,038,657	\$22,783,565	23	\$2,988,076
FY 2013-14 STATE TOTAL		\$3,759,664	\$15,038,657	\$22,783,565	23	\$2,988,076

Table 2c. Film Production Tax Credit Certificates Awarded in FY 2016-17 for Tax Credits From FY 2012-13 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
Pittsburgh and Its Countryside						
Crimes of Pittsburgh (aka After Hours Trading)	Serf City, LLC	\$20,876	\$90,820	\$137,592	1	\$18,045
FY 2012-13 STATE TOTAL		\$20,876	\$90,820	\$137,592	1	\$18,045

USE OF TAX CREDITS

Act 55 of 2007, as amended by Act 85 of 2012, Act 52 of 2013, and Act 84 of 2016 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 percent 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 2016-17 By Fiscal Year of Tax Credit Authorization

Film production companies may sell or assign their tax credits to one or more entities. In FY 2016-17, nearly \$59 million in Film Production Tax Credits from 30 film productions were sold, transferred or redeemed. *(Note: There were three 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., 96 percent, or \$56 million) were sold or transferred to another entity, with the remaining \$2.6 million used by production companies to reduce their Pennsylvania state tax liabilities.

The following tables list the total dollar amount of tax credits used by production companies either to reduce their Pennsylvania state 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 state tax liability and/ or sold or assigned, and not each individual sale/assignment.

**Table 3a.
Use of Issued Film Production Tax Credits in FY 2016-17
FY 2016-17 Tax Credit Authorization**

Project Name	Entity	Amount Used by FPTC Recipient	Amount Sold/Transferred
The Batman Betrayal (r/a Batman & Bill)	Uncredited, LLC (9.14 Pictures)	\$0	\$116,712
TOTAL		\$0	\$116,712

**Table 3b.
Use of Issued Film Production Tax Credits in FY 2016-17
FY 2015-16 Tax Credit Authorization**

Project Name	Entity	Amount Used by FPTC Recipient	Amount Sold/Transferred
Banshee (Season #4)*	Screaming Spirit Productions, LLC (HBO)	\$0	\$2,305,095
Bloodletting	Bloodletting, LLC	\$0	\$15,954
Bloodrunners	Speakeasy Pictures, LLC	\$0	\$33,768
Call Sheet	Call Sheet Films, LLC (Big Fan Films)	\$0	\$53,880
Creed (Rocky 7)*	Creed Productions, LLC (MGM Pictures)	\$0	\$2,379,521
Death House	Death House Movie, LLC (Factory Entertainment Group)	\$0	\$187,163
Downward Dog (Pilot)	Ruff Draft Productions, LLC (Legendary)	\$0	\$921,144
Fences	Paramount Pictures Corporation	\$0	\$4,688,451
Kevin Hart: What Now?	What Now Movie, LLC (Heart Beat Productions)	\$0	\$1,820,307
Philadelphia: The Great Experiment (Episodes #11 & 12)	History Making Productions, LLC	\$0	\$229,241
Remember Us	Big Monster Entertainment, LLC	\$0	\$34,575
Restaurant Impossible (Season #11)	MSPT Restaurant Impossible, LLC	\$0	\$623,966
Restaurant Impossible (Season #12)	MSPT Restaurant Impossible, LLC	\$0	\$782,231
Rising Tides	Big Monster Entertainment, LLC	\$0	\$40,987
Saving Heroes	Big Monster Entertainment, LLC	\$0	\$132,326
Seeking Solutions with Suzanne (2015/16)	Kelly Ryan Productions	\$0	\$225,298
Six Hours: Surviving Typhoon Yolanda	Big Monster Entertainment, LLC	\$0	\$33,775
The Daily Show with Trevor Noah	Hello Doggie, Inc.	\$0	\$412,883
TomBob Outdoors, Friend in Wild Places (Season #4)	TomBob Outdoors, LLC (Continuous Metal Technology, Inc.)	\$0	\$140,459
Xploration Nation	Steve Rotfeld Productions, Inc.	\$0	\$616,054
TOTAL		\$0	\$15,677,078

* Also awarded Film Production Tax Credits in FY 2014-15.

Table 3c.
Use of Issued Film Production Tax Credits in FY 2016-17
FY 2014-15 Tax Credit Authorization

Project Name	Entity	Amount Used by FPTC Recipient	Amount Sold/ Transferred
Banshee (Season #4)*	Screaming Spirit Productions, LLC (HBO)	\$0	\$9,401,622
Creed (Rocky 7)*	Creed Productions, LLC (MGM Pictures)	\$0	\$6,986,636
Equity	Broad Street Pictures, LLC	\$0	\$288,366
Outsiders (Season #1) fka Titans	Woodridge Productions, Inc. (Sony Pictures Television, Inc.)	\$0	\$9,156,878
The Last Witch Hunter*	LWH Productions, LLC (Lionsgate/Summit Productions, LLC)	\$0	\$2,088,820
Xploration Nation	Steve Rotfeld Productions, Inc.	\$0	\$616,054
TOTAL		\$0	\$28,538,376
+ Also awarded Film Production Tax Credits in FY 2013-14. *Also awarded Film Production Tax Credits in FY 2014-15.			

Table 3d.
Use of Issued Film Production Tax Credits in FY 2016-17
FY 2013-14 Tax Credit Authorization

Project Name	Entity	Amount Used by FPTC Recipient	Amount Sold/ Transferred
American Pastoral	American Pastoral Productions, LLC	\$0	\$3,759,664
QVC Television Programs (7/1/2013 to 6/30/2014)	QVC, Inc.	\$2,561,661	\$1,440,741
Tanked (Season #4)	Nancy Glass Productions, Inc.	\$0	\$1,254,926
The Fault In Our Stars	Twentieth Century Fox Film Corporation	\$0	\$1,618,902
The Last Witch Hunter*	LWH Productions, LLC (Lionsgate/Summit Productions, LLC)	\$0	\$4,000,000
TOTAL		\$2,561,661	\$12,074,233
* Also awarded Film Production Tax Credits in FY 2014-15.			

Table 3e.
Use of Issued Film Production Tax Credits in FY 2016-17
FY 2012-13 Tax Credit Authorization

Project Name	Entity	Amount Used by FPTC Recipient	Amount Sold/ Transferred
Crimes of Pittsburgh (aka After Hours Trading)	Serf City, LLC	\$0	\$20,876
TOTAL		\$0	\$20,876

Table 3f.
Summary Table: Use of Issued Film Production Tax Credits in FY 2016-17
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	0	\$0	\$0
FY 2011-12	0	\$0	\$0
FY 2012-13	1	\$0	\$20,876
FY 2013-14	5	\$2,561,661	\$12,074,233
FY 2014-15	6	\$0	\$28,538,376
FY 2015-16	20	\$0	\$15,677,078
FY 2016-17	1	\$	\$116,712
GRAND TOTAL	30	\$2,561,661	\$56,427,275

NOTE: Three productions received Film Production Tax Credits from two 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.