

REPORT TO THE GENERAL ASSEMBLY

# FILM PRODUCTION TAX CREDIT PROGRAM

FY 2017-18



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**Film Production Tax Credit Program**  
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# REPORT TO THE GENERAL ASSEMBLY PENNSYLVANIA'S FILM PRODUCTION TAX CREDIT PROGRAM FY 2017-18

## PROGRAM OVERVIEW

Pennsylvania's Film Production Tax Credit is an economic development tool created to foster the growth and development of the state's film industry by providing a tax credit equal (in most cases) to 25% of a production's "qualified film production expenses" provided at least 60% of the production's total budget is spent in Pennsylvania<sup>1</sup>. The program was first authorized under Act 55 of 2007 and amended by Act 85 of 2012, Act 52 of 2013, and Act 84 of 2016 — the latter legislatively placing the program under a new umbrella "Entertainment Production Tax Credit" program. The types of film 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.

Feature films and television productions intended for a national audience that meet the "minimum stage filming requirements" at a "qualified production facility"<sup>2</sup> may receive an additional 5% tax credit for a total tax credit equal to 30% of their qualified film production expenses. The minimum stage filming requirements are based on the projected amount of in-state expenditures with stronger requirements for large-budget productions. To qualify for the additional tax credit, productions with a projected in-state spend 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.

Act 84 of 2016 authorized a 30% tax credit for qualified post production expenses incurred at a "qualified postproduction facility," i.e., a facility located in Pennsylvania with capital investment of at least \$500,000 and employing at least 10 full-time employees who reside within the state, and is approved by DCED.

Note: The 30% tax credit for qualified postproduction expenses may be awarded to productions with no other production activity within Pennsylvania.

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<sup>1</sup> The 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 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.

<sup>2</sup> "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) onsite 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.



Upon completion of all phases of production (i.e., pre-production, principal photography, and post-production) and submission of an Examination Engagement Report of all production expenses conducted by an independent certified public accountant and an economic impact report approved by 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.

Since the program's inception, close to \$680 million in Film Production Tax Credits have been approved/awarded<sup>3</sup> to film production companies. These companies have directly injected nearly \$2.7 billion into the state's economy; generated an estimated \$4.5 billion in total economic activity and \$593 million in total state and local taxes; and supported an estimated 21,000 full-time equivalent jobs, based on the most recent *IMPLAN* multipliers provided by the Pennsylvania Department of Labor and Industry.

NOTE: The *IMPLAN* multipliers used to estimate the economic impact are revised annually, with multipliers for prior years adjusted and tied to the most recent year.

The figures presented in this report 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 withdrawn from the program.<sup>4</sup>
- (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).<sup>5</sup>
- (5) The utilization of updated/revised *Implan* multipliers.

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<sup>3</sup> 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 is eligible to 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 examination engagement report completed by an independent auditor. 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, while productions whose actual qualified expenses are below the amount initially specified in the 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 for a particular fiscal year.

<sup>4</sup> Almost every year, a number of productions withdraw or are withdrawn by DCED from the Film Production Tax Credit Program. Some 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. Also, productions that fail to complete all production activity and/or file the requisite end-of-production examination report and other required documents within the specified time period are withdrawn.

<sup>5</sup> Tax credits for large-budget productions may be allocated over two or more fiscal years. Since the production cycle for these productions can span two or more fiscal years, the total amount of tax credits is allocated over the life of the production. In these cases, conditional letters of approval are issued for the portion of tax credits to be issued in future years and are subject to the program's continuation and approval of a sufficient amount of film production tax credits during the annual state budget process to meet these future obligations.

## SUMMARY STATISTICS

### SUMMARY FOR FY 2007-08 THROUGH FY 2017-18

The Pennsylvania Film Office has received and reviewed approximately 750 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 478 productions through FY 2017-18. 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: The total amount of tax credits approved for the 13 productions that received approval for tax credits from the FY 2017-18 allocation and conditional approval from future year allocations is included under the assumption the companies will complete all production activities as outlined in their applications and the conditional tax credits will be awarded. Data is not included for the two productions that received conditional approval only for tax credits to be issued in FY 2018-19 and FY 2019-20, 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 2017-18

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 2017-18 for each major category of film production.

**Tax Credits Approved/Awarded by Type of Film Production  
FY 2007-08 through FY 2017-18**

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	43	\$1,495,615	\$34,782	\$18,950	\$6,327,772
Documentaries	31	\$4,560,112	\$147,100	\$119,430	\$19,108,272
Feature Films	141	\$406,021,647	\$2,879,586	\$291,647	\$1,590,888,729
TV Productions	258	\$267,124,102	\$1,035,365	\$229,148	\$1,064,810,582
Other	5	\$334,567	\$66,913	\$71,713	\$1,370,064
<b>Total/Average</b>	<b>478</b>	<b>\$679,536,043</b>	<b>\$1,421,624</b>	<b>\$193,708</b>	<b>\$2,682,505,418</b>

*Excludes data for the two productions approved for \$1.6 million in tax credits on a conditional basis only in the two upcoming fiscal years. Includes data for the 13 productions approved for \$44.7 million in tax credits in FY 2017-18 and conditionally approved for \$45.4 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% of the total), but feature films have received a majority (i.e., 60%) of the \$679.5 million in total approved/awarded tax credits. As in prior years, 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 32 feature films with total production budgets of \$25 million or more, compared to just 16 TV productions. These 32 feature films have a total in-state spend of nearly \$1.3 billion (i.e., roughly double that of the 16 TV productions) and have been approved/awarded \$319 million in tax credits, or 79% of the \$406 million in tax credits approved/awarded to the 141 feature films since the program began. However, this disparity has been gradually shrinking as more large-budget, multi-episode/multi-season television series have received tax credits following changes to the law authorizing the Film Office to conditionally approve tax credits from future year tax credit allocations.

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 similar proportion of feature films and television programs with total production budgets below \$1 million, i.e., 43% of feature films and 44% of television programs. As a result, the median award for feature films is just 1.3 times that of TV.

#### **Tax Credits Approved/Awarded by Size of Total Production Budget, FY 2007-08 – FY 2017-18**

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 245 productions with budgets under \$1 million together account for 51% of productions approved/awarded a film tax credit, but for just 3% of the tax credits approved/awarded since the program began. In contrast, the 15 productions (11 feature films and 4 television shows) with actual or projected budgets of \$50 million or more represent 3% of the total number of projects, but 37% of the total dollar amount of tax credits approved/awarded to date. The total Pennsylvania qualified expenditures of these 15 large-budget productions are almost 12 times that of the 245 productions with budgets under \$1 million.

The following table shows: (a) the total number of productions approved/awarded film tax credits through FY 2017-18 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 examination reports and economic impact reports) and the estimated amounts for productions yet to be completed by the end of FY 2017-18, as provided in their project applications.

**Tax Credits Approved/Awarded by Size of Total Production Budget  
FY 2007-08 through FY 2017-18**

<b>Total Production Budget</b>	<b>Number of Productions Approved/Awarded Film Tax Credits</b>	<b>Percent of Total Productions</b>	<b>Total \$ Amount of Tax Credits Approved/Awarded</b>	<b>Percent of Film Tax Credits</b>	<b>Qualified Production Spending in Pennsylvania</b>
<\$100k	33	7%	\$344,174	0.1%	\$1,525,912
100k - \$250k	65	14%	\$2,177,703	0.3%	\$9,093,636
\$250k - \$500k	67	14%	\$5,191,246	0.8%	\$22,062,962
\$500k - \$750k	43	9%	\$5,337,383	0.8%	\$22,816,044
\$750k - \$1 mil	37	8%	\$6,325,580	1%	\$26,472,485
\$1 mil - \$2.5 mil	92	19%	\$27,346,749	4%	\$113,502,571
\$2.5 mil - \$5.0 mil	45	9%	\$31,414,595	5%	\$127,608,689
\$5.0 mil - \$10 mil	27	6%	\$37,919,935	6%	\$156,806,237
\$10 mil - \$25 mil	21	4%	\$76,643,411	11%	\$300,773,391
\$25 mil - \$50 mil	33	7%	\$233,762,293	34%	\$946,246,873
\$50 mil - \$100 mil	10	2%	\$132,643,048	20%	\$486,320,458
\$100+ million	5	1%	\$120,429,928	18%	\$469,532,257
<b>TOTAL</b>	<b>478</b>	<b>100%</b>	<b>\$679,536,043</b>	<b>100%</b>	<b>\$2,682,761,514</b>

*Excludes data for the two productions approved for \$1.6 million in tax credits on a conditional basis only in the two upcoming fiscal years. Includes data for the 13 productions approved for \$44.7 million in tax credits in FY 2017-18 and conditionally approved for \$45.4 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 2017-18**

The Pennsylvania Film Office approved 46 of the 55 Film Production Tax Credit applications the office received in FY 2017-18, including two productions that received conditional approval only from future year tax credit allocations. Five of these productions had been approved for \$33.7 million in tax credits from previous fiscal year allocations and were approved for an additional \$10.7 million in tax credits from the FY 2017-18 allotment, with three of these productions also receiving conditional approval for \$6.4 million in tax credits from future year allocations. An additional ten productions approved for tax credits from the FY 2017-18 allocation also received conditional approval for \$39.1 million in film tax credits from future year allocations (subject to the availability of future tax credits).

Two additional productions (one feature film and a documentary) received conditional approval only for \$1.6 million in tax credits from the FY 2018-19 and FY 2019-20 allocations. These productions with conditional approval only are excluded from the tables presented below.

**Tax Credits Approved by Production Type, FY 2017-18**

As in prior years, feature films and television productions accounted for the vast majority of film tax credit approvals in FY 2017-18 in terms of both the number of productions and the total dollar amount of tax credits to be awarded. Together, they accounted for 32 (or 73%) of the 44 approved projects and 99% of the \$65 million in tax credits approved/awarded in FY 2017-18.

As of June 30, 2018, two productions approved for Film Production Tax Credits from the FY 2017-18 allocation had completed all phases of production and submitted the requisite Examination Engagement 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 2017-18 Film Production Tax Credit Authorization**

<b>Production Category</b>	<b>Total Number of Productions</b>	<b>Percent of Total Number of Productions</b>	<b>Total Dollar Amount of Tax Credits Approved/Awarded</b>	<b>Percent of Dollar Amount of Tax Credits Approved/Awarded</b>
Commercials	6	14%	\$395,939	0.6%
Documentaries	5	11%	\$530,128	0.8%
Feature Films	12	27%	\$29,577,387	45.5%
TV Productions	20	45%	\$34,491,271	53.1%
Other	1	2%	\$5,275	0.01%
<b>TOTAL</b>	<b>44</b>	<b>100%</b>	<b>\$65,000,000</b>	<b>100%</b>

*Excludes data for the two productions approved for \$1.6 million in tax credits on a conditional basis only in the upcoming fiscal year(s). Includes data on the productions approved for tax credits in FY 2017-18 and conditionally approved for additional tax credits from future year allocations under the assumption the program will continue and these projects will be completed since production has already begun, as well as productions that were approved for tax credits from prior year Film Production Tax Credit allocations.*

**Tax Credits Approved by Size of Total Production Budget, FY 2017-18**

Seventeen productions, or close to 40% of the productions approved for a Film Production Tax Credit from the FY 2017-18 allocation, had total production budgets under \$1 million, but together accounted for just 1.4% in total of the fiscal year's approved tax credits. An additional 12 productions had total budgets between \$1 million and \$5 million. Taken together with the lowest budget productions, these 29 productions represented two-thirds of the productions approved for a film tax credit from the FY 2017-18 allocation but accounted for just 9% of the total dollar amount of approved tax credits.

The four feature films and five television productions with total budgets over \$25 million accounted for 20% of the productions approved for a tax credit from the FY 2017-18 Film Production Tax Credit allocation and for 72% (or \$46.6 million) of the \$65 million in tax credits approved for FY 2017-18.



**Tax Credits Approved/Awarded by Size of Total Production Budget  
FY 2017-18 Film Production Tax Credit Authorization**

<b>Total Production Budget</b>	<b>Number of Productions Approved for Film Tax Credits</b>	<b>Percent of Total Productions</b>	<b>\$ Amount of Tax Credits Approved/ Awarded</b>	<b>Percent of Total Film Tax Credits Approved/Awarded</b>	<b>Projected/ Actual Spending in Pennsylvania</b>
<\$100k	3	7%	\$36,201		\$144,804
100k - \$250k	7	16%	\$259,132	0.4%	
\$250k - \$500k	4	9%	\$280,285	0.4%	\$1,221,204
\$500k - \$750k	3	7%	\$356,386	0.5%	\$1,425,544
\$750k - \$1 mil	0	0%	\$0	0%	\$0
\$1 mil - \$2.5 mil	8	18%	\$2,062,778	3.2%	\$9,497,545
\$2.5 mil - \$5.0 mil	4	9%	\$2,648,341	4.1%	\$11,145,112
\$5.0 mil - \$10 mil	3	7%	\$3,746,405	5.8%	\$15,314,760
\$10 mil - \$25 mil	3	7%	\$8,989,184	13.8%	\$50,554,056
\$25 mil - \$50 mil	5	11%	\$17,317,510	26.6%	\$170,448,277
\$50 mil - \$100 mil	3	7%	\$20,397,950	31.4%	\$177,141,354
\$100+ million	1	2%	\$8,905,828	13.7%	\$87,693,370
<b>TOTAL*</b>	44	100%	\$65,000,000	100.0%	\$525,622,558

*Excludes data for the two productions approved for \$1.6 million in tax credits on a conditional basis only in the upcoming fiscal year(s). Includes data on the productions approved for tax credits in FY 2017-18 and conditionally approved for additional tax credits from future year allocations under the assumption the program will continue and these projects will be completed since production has already begun, as well as productions that were approved for tax credits from prior year Film Production Tax Credit allocations.*

## FY 2017-18 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 and Act 84 of 2016) 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 2017-18 is provided in the following sections of this report.

The first section lists the 42 productions that were approved during FY 2017-18 but had yet to be completed by June 30, 2018. The second section lists the productions that: (1) received Film Production Tax Credit certificates and were completed in FY 2017-18 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 2017-18, by fiscal year in which the production was approved to participate in the Film Production Tax Credit Program.

DCED approved 44 applications for Film Production Tax Credits from the FY 2017-18 Film Production Tax Credit allocation, with five of these productions approved for tax credits from prior year allocations. As of June 30, 2018, two productions approved for tax credits from the FY 2017-18 allocation had completed all production activities, submitted the required examination report and economic impact report, and been issued a Film Production Tax Credit Certificate during the 2017-18 fiscal year. (See Table 2 for a listing of the completed productions issued Film Production Tax Credit Certificates in FY 2017-18.)

The remaining projects approved in FY 2017-18 were still in production or had completed production but had yet to submit an examination report of their expenses to DCED by June 30, 2018 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 number of hours worked; and other data. As of July 1, 2018, there were 57 film productions approved for \$129 million in total tax credits from the Film Production Tax Credit Program in FY 2017-18 and/or previous years that had yet to complete production and/or 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 2017-18 but had **not** completed production and/or filed the required examination report and economic impact report in order to be issued a Film Production Tax Credit Certificate by June 30, 2018. 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 and/or qualified postproduction 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 2017-18 By Region**

*Note: Two projects approved for a Film Production Tax Credit in FY 2017-18 had completed all phases of production, submitted the required reports, and awarded a Film Production Tax Credit Certificate before the end of the fiscal year (i.e., by June 30, 2018). The data for these productions is presented in Table 2.*

Table 1. Film Productions Approved in FY 2017 18, But Project NOT Completed by June 30, 2018		
Region/Project Title	Entity Name	Approved Tax Credit
<b>Philadelphia and The Countryside</b>		<b>\$26,957,987</b>
Chats Deux	All Ages Productions, LLC	\$40,447
Creed II*	Creed II Productions, LLC (MGM)	\$7,969,408
Desert Flippers (Season #2)	Glass Entertainment, LLC	\$296,847
Desert Flippers (Season #3)	Glass Entertainment Group, LLC	\$283,534
Due Date	The Workshop, LLC	\$1,440,817
Flowing Water	FreshFly	\$91,377
Glass*	Cabana 13 Productions, LLC (M. Night)	\$5,000,000
Greatest Holiday Commercials 2018	Juma Entertainment, LLC	\$177,954
K9 Undercover	All Ages Productions, LLC	\$83,002
Lawn and Order (Season #1)	Glass Entertainment Group, LLC	\$309,326
Let's Eat (Pilot)	Glass Entertainment Group, LLC	\$32,362
Mama Lucia	Alcare Communications, Inc.	\$26,074
Miss Atkins Army	SMT Pictures, LLC	\$1,003,000
Pool Kings	Glass Entertainment Group, LLC	\$321,662
Pope: The Most Powerful Man in History	Glass Entertainment, LLC	\$645,909
QVC (9/1/2017 - 8/31/2018)	QVC, Inc.	\$4,000,000
Reflections	Glass Entertainment Group, LLC	\$38,750
Seeking Solutions w/Suzanne (2017/18)	Kelly Ryan Productions	\$336,225
Shedim	Glass Entertainment, LLC	\$40,000
Symphonic Revolution: China and the Future of Classical Music*	History Making Productions, LLC	\$100,000
Tanked (Season 6)*	Tanked 6, LLC (Nancy Glass Productions, Inc.)	\$1,156,940
Tanked (Season 7)	Tanked 7, LLC (Glass Entertainment Group, LLC)	\$1,148,648
The 60s	Alcare Communications, Inc.	\$29,712
The Birth of Planet Earth	Spitz, Inc.	\$99,438
The Honeymoon Phase	Aspire Motion Pictures, LLC	\$51,787
The Noise	All Ages Productions, LLC	\$18,426
The Nomads	The Nomads Movie, LLC	\$352,737
True North	The Workshop, LLC	\$98,009
Unique Rides	Alkemy X - Unique Rides, LLC	\$715,898
Wyeth	FreshFly	\$71,286
Xploration Nation (2017/21)*	Steve Rotfeld Productions, Inc.	\$973,137
Zippers: Proof of Concept	Crooked & Narrow Movie, LLC	\$5,275
<b>Pittsburgh and Its Countryside</b>		<b>\$29,371,900</b>
\$1*	Eye Productions, Inc. (CBS Studios, Inc)	\$8,000,000
Blood Brothers	Black Dawn LLC (The Savvy Group)	\$3,016,047
Gone (fka, One Kick)*	Open 4 Business Productions, LLC (NBCU International Studios)	\$1,212,161
MindHunter (Season #2) (fka, Untitled Seventies Project)*	Late Seventies Productions, LLC (Netflix)	\$8,905,828
Remember Amnesia*	Godse-Thakar Productions, LLC	\$26,559
The Whooper	Patio, LLC	\$12,500
You Are My Friend (Mr. Rogers)*	TriStar Productions, Inc. (Sony Pictures Entertainment)	\$8,198,805

**Table 1. (continued)**  
**Film Productions Approved in FY 2017-18, But Project NOT Completed by June 30, 2018**

Region/Project Title	Entity Name	Approved Tax Credit
<b>Pennsylvania Wilds</b>		<b>\$167,000</b>
TomBob Outdoors, Friends in Wild Places (Season #6)	Continuous Metal Technology, Inc, TomBob Outdoors, LLC	\$167,000
<b>Lehigh Valley</b>		<b>\$1,700,000</b>
Eternal Springs**	Lazarus Films, LLC	\$1,700,000
<b>Dutch Country Roads</b>		<b>\$168,027</b>
Expedition Chesapeake, A Journey of Discovery*	Whitaker Center Productions, Inc.	\$168,027
<b>STATE TOTAL</b>		<b>\$58,364,914</b>

\*Approved for Film Production Tax Credits in FY 2017-18 and prior fiscal year(s). Amount of tax credit shown is only the FY 2017-18 portion.

+Approved for Film Production Tax Credits in FY 2017-18 and conditional approval for credits in subsequent fiscal year(s); amount of tax credit shown is only for the amount approved from the FY 2017-18 allocation.

NOTE: The state total does not sum to \$65 million because it excludes the two productions approved for a tax credit in FY 2017-18 that were completed and issued a Film Production Tax Credit Certificate during the fiscal year. Data for these two productions is shown below in Table 2.

## FILM PRODUCTION TAX CREDIT CERTIFICATES AWARDED IN FY 2017-18

Pursuant to Section 8711 – D(a) of Act 55 of 2007, the data for productions claiming tax credits in FY 2017-18 is presented below by geographic region. Note: a tax credit is not “claimed” until a Film Production Tax Credit Certificate has been issued by DCED upon completion of all phases of production and the required reports 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 2017-18. 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. Note: the *IMPLAN* multipliers are revised annually.

The productions are organized according to the fiscal year in which the tax credits were authorized except for productions that received tax credit approvals in more than one fiscal year. In these cases, the data is combined and the production listed under the fiscal year of its most recent Film Production Tax Credit approval. For example, productions receiving tax credits from the FY 2016-17 and FY 2017-18 allocations are shown only in the FY 2017-18 table (Table 2a) and not also in the FY 2016-17 table (Table 2b).

**Table 2. Film Production Tax Credit Certificates Awarded & Economic Impact For Productions Completed in FY 2017-18**

Table 2a. Film Production Tax Credit Certificates Awarded in FY 2017 18 for Tax Credits From FY 2017 18 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
<b>Philadelphia and The Countryside</b>		<b>\$7,312,480</b>	<b>\$28,778,828</b>	<b>\$43,168,242</b>	<b>199</b>	<b>\$5,613,742</b>
Untouchable* (aka, The Upside)	Feel Good Films, Inc. (The Weinstein Company)	\$7,312,480	\$28,778,828	\$43,168,242	199	\$5,613,742
<b>Pittsburgh and Its Countryside</b>		<b>\$22,794,871</b>	<b>\$75,982,902</b>	<b>\$113,974,353</b>	<b>524</b>	<b>\$14,821,605</b>
MindHunter (Season 1)*	Em Ache Productions, LLC (Netflix)	\$22,794,871	\$75,982,902	\$113,974,353	524	\$14,821,605
<b>FY 2017-18 STATE TOTAL</b>		<b>\$30,107,351</b>	<b>\$104,761,730</b>	<b>\$157,142,595</b>	<b>723</b>	<b>\$20,435,347</b>
* Also approved for Film Production Tax Credits from FY 2016-17 authorization. + Also approved for Film Production Tax Credits from FY 2015-16 and FY 2016-17 authorizations. Data shown is combined total for all fiscal years.						

Table 2b. Film Production Tax Credit Certificates Awarded in FY 2017 18 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
<b>Philadelphia and The Countryside</b>		<b>\$11,630,313</b>	<b>\$49,885,025</b>	<b>\$74,827,538</b>	<b>344</b>	<b>\$9,730,822</b>
Big Easy Motors	Big Easy Motors, LLC (Nancy Glass Productions)	\$635,528	\$2,588,414	\$3,882,621	18	\$504,909
Delco Proper (Pilot)	Pointless Studio Productions, Inc. (Avalon-USA, Viacom)	\$178,193	\$893,526	\$1,340,289	6	\$174,296
Greatest Holiday Commercials	Juma Entertainment, LLC	\$163,955	\$655,818	\$983,727	5	\$127,927
How to Get Girls	How to Get Girls, LLC (Glass Entertainment Group, LLC)	\$167,500	\$672,498	\$1,008,747	5	\$131,181
Philadelphia: The Great Experiment (13 & 14)	History Making Productions, LLC	\$239,295	\$970,482	\$1,455,723	7	\$189,307
QVC Television Programs (9/1/2015 to 8/31/2016)#	QVC, Inc.	\$8,699,502	\$37,858,393	\$56,787,590	261	\$7,384,847
Restaurant Impossible (Season 13)	MSPT Restaurant Impossible, LLC	\$645,523	\$2,642,628	\$3,963,942	18	\$515,484
Seeking Solutions with Suzanne (2016/17)	Kelly Ryan Productions	\$284,762	\$1,139,049	\$1,708,574	8	\$222,189
Xploration Nation (FY2016-17)	Steve Rotfeld Productions, Inc.	\$616,055	\$2,464,217	\$3,696,326	17	\$480,682
<b>Pittsburgh and Its Countryside</b>		<b>\$19,566,482</b>	<b>\$67,413,526</b>	<b>\$101,120,289</b>	<b>465</b>	<b>\$13,150,019</b>
Downward Dog (Season 1)	Ruff Draft Productions, LLC (Legendary Pictures)	\$3,287,878	\$13,151,511	\$19,727,267	91	\$2,565,399
Last Flag Flying	Last Flag Flying Productions, LLC (Big Indie Pictures)	\$4,305,146	\$14,350,487	\$21,525,731	99	\$2,799,278
Outsiders (Season 2)	Woodridge Productions, Inc. (Sony Pictures Television, Inc.)	\$11,973,458	\$39,911,528	\$59,867,292	275	\$7,785,342
<b>FY 2016-17 STATE TOTAL</b>		<b>\$31,196,795</b>	<b>\$117,298,551</b>	<b>\$175,947,827</b>	<b>809</b>	<b>\$22,880,842</b>
# Also approved for Film Production Tax Credits from FY 2015-16 authorization. Data shown is combined total for both fiscal years.						



**Table 2c.**  
**Film Production Tax Credit Certificates Awarded in FY 2017 18 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
<b>Philadelphia and The Countryside</b>		<b>\$668,531</b>	<b>\$3,280,613</b>	<b>\$4,920,920</b>	<b>23</b>	<b>\$639,933</b>
Faster Than Light: The Dream of Interstellar Spaceflight	Spitz, Inc.	\$92,431	\$625,820	\$938,730	4	\$122,076
Texas Vets	Texas Vets, LLC (Nancy Glass Productions, Inc.)	\$435,475	\$2,060,918	\$3,091,377	14	\$402,013
The Forgotten Journey (Kalamar Nykel)	Nancy Glass Productions, Inc.	\$61,622	\$246,488	\$369,732	2	\$48,081
Zeroes	Zeroes, LLC	\$79,003	\$347,387	\$521,081	2	\$67,763
<b>Pittsburgh and Its Countryside</b>		<b>\$55,071</b>	<b>\$220,285</b>	<b>\$330,428</b>	<b>2</b>	<b>\$42,970</b>
Insomnia	Insomnia Movie, LLC	\$55,071	\$220,285	\$330,428	2	\$42,970
<b>FY 2015-16 STATE TOTAL</b>		<b>\$723,602</b>	<b>\$3,500,898</b>	<b>\$5,251,347</b>	<b>24</b>	<b>\$682,903</b>

**Table 2d.**  
**Film Production Tax Credit Certificates Awarded in FY 2017 18 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
<b>Philadelphia and The Countryside</b>		<b>\$897,016</b>	<b>\$3,601,362</b>	<b>\$5,402,043</b>	<b>25</b>	<b>\$702,500</b>
Allegiance	Universal Television, Inc.	\$736,329	\$2,945,314	\$4,417,971	20	\$574,528
Making the Movies Move: The Philadelphia Story (aka, Speed of Light: Philadelphia and the Birth of Motion Pictures)	History Making Productions, LLC	\$160,687	\$656,048	\$984,072	5	\$127,972
<b>Lehigh Valley</b>		<b>\$19,738</b>	<b>\$78,950</b>	<b>\$118,425</b>	<b>1</b>	<b>\$15,400</b>
Killer	Mena Films, Inc.	\$19,738	\$78,950	\$118,425	1	\$15,400
<b>FY 2014-15 STATE TOTAL</b>		<b>\$916,754</b>	<b>\$3,680,312</b>	<b>\$5,520,468</b>	<b>25</b>	<b>\$717,900</b>

**Table 2e.**  
**Film Production Tax Credit Certificates Awarded in FY 2017 18 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
<b>Philadelphia and The Countryside</b>		<b>\$338,628</b>	<b>\$1,327,192</b>	<b>\$1,990,788</b>	<b>9</b>	<b>\$258,889</b>
The Women of Philadelphia (aka, The Daring Women of Philadelphia)	History Making Productions, LLC	\$338,628	\$1,327,192	\$1,990,788	9	\$258,889
<b>FY 2013-14 STATE TOTAL</b>		<b>\$338,628</b>	<b>\$1,327,192</b>	<b>\$1,990,788</b>	<b>9</b>	<b>\$258,889</b>

## 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% 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 2017-18 By Fiscal Year of Tax Credit Authorization

Film production companies may sell or assign their tax credits to one or more entities. In FY 2017-18, nearly \$29.5 million in Film Production Tax Credits from 28 film productions were sold, transferred, or redeemed. *(Note: Three of these productions 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., 92%, or \$27.2 million) was sold or transferred to another entity, with the remaining \$2.3 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 2017-18 FY 2017 18 Tax Credit Authorization			
Project Name	Entity	Amount Used by FPTC Recipient	Amount Sold/Transferred
No tax credits from the FY 2017-18 allocation were sold or assigned.			
<b>TOTAL</b>		---	---

**Table 3b.**  
**Use of Issued Film Production Tax Credits in FY 2017-18**  
**FY 2016 17 Tax Credit Authorization**

Project Name	Entity	Amount Used by FPTC Recipient	Amount Sold/ Transferred
Downward Dog (Season #1)	Ruff Draft Productions, LLC (Legendary Pictures)	\$0	\$3,287,878
Greatest Holiday Commercials	Juma Entertainment, LLC	\$0	\$163,955
How to Get Girls	How to Get Girls, LLC (Glass Entertainment Group, LLC)	\$0	\$167,500
Outsiders (Season 2)*	Woodridge Productions, Inc. (Sony Pictures Television, Inc.)	\$0	\$1,346,020
Philadelphia: The Great Experiment (#13 & 14)	History Making Productions, LLC	\$0	\$239,295
Restaurant Impossible (Season 13)	MSPT Restaurant Impossible, LLC	\$0	\$645,523
Revolutionary Life*	Blue Ninja Productions, Inc.	\$0	\$174,999
Seeking Solutions with Suzanne (2016/17)*	Kelly Ryan Productions	\$0	\$284,762
TomBob Outdoors, Friends in Wild Places (Season 5)	TomBob Outdoors, LLC (Continuous Metal Technology, Inc.)	\$0	\$166,146
Xploration Nation, FY2016/17	Steve Rotfeld Productions, Inc.	\$0	\$616,055
<b>TOTAL</b>		<b>\$0</b>	<b>\$7,092,133</b>
* Also awarded Film Production Tax Credits in FY 2015-16.			

**Table 3c.**  
**Use of Issued Film Production Tax Credits in FY 2017-18**  
**FY 2015 16 Tax Credit Authorization**

Project Name	Entity	Amount Used by FPTC Recipient	Amount Sold/ Transferred
Downward Dog (Pilot)	Ruff Draft Productions, LLC (Legendary Pictures)	\$0	\$921,144
Epic Mysteries	Lawn and Order, LLC (Nancy Glass Productions)	\$0	\$286,599
Kevin Hart: What Now?	What Now Movie, LLC (Heart Beat Productions)	\$0	\$1,820,307
Outsiders (Season 2)#	Woodridge Productions, Inc. (Sony Pictures Television, Inc.)	\$0	\$10,627,438
Revolutionary Life#	Blue Ninja Productions, Inc.	\$0	\$222,984
Seeking Solutions with Suzanne (2015/16)#	Kelly Ryan Productions	\$0	\$225,298
Texas Vets	Texas Vets, LLC (Nancy Glass Productions, Inc.)	\$0	\$435,475
The Daily Show with Trevor Noah	Hello Doggie, Inc.	\$0	\$412,883
The Forgotten Journey (Kalamar Nykel)	Nancy Glass Productions, Inc.	\$0	\$61,622
The Most Wonderful Time (aka, Love the Coopers; fka Tis the Season)*	CBS Films, Inc.	\$1,111,202	\$0
Untitled Dan Soder (a/k/a Dan Soder: Not Special)	Raboy Marshall Productions, Inc.	\$0	\$71,713
Xploration Nation, FY2015/16	Steve Rotfeld Productions, Inc.	\$0	\$616,054
Zeroes	Zeroes, LLC	\$0	\$79,003
<b>TOTAL</b>		<b>\$1,111,202</b>	<b>\$15,780,520</b>
+ Also awarded Film Production Tax Credits in FY 2014-15.			
# Also awarded Film Production Tax Credits in FY 2016-17.			

**Table 3d.**  
**Use of Issued Film Production Tax Credits in FY 2017-18**  
**FY 2014 15 Tax Credit Authorization**

Project Name	Entity	Amount Used by FPTC Recipient	Amount Sold/ Transferred
Allegiance	Universal Television, Inc.	\$0	\$735,797
I/I	And So Like, LLC	\$0	\$38,317
Killer	Mena Films, Inc.	\$0	\$19,738
Making the Movies Move: The Philadelphia Story (aka Speed of Light: Philadelphia and the Birth of Motion Pictures)	History Making Productions, LLC	\$0	\$160,687
The Most Wonderful Time (aka, Love the Coopers; fka, Tis the Season)*	CBS Films, Inc.	\$1,171,539	\$2,736,000
<b>TOTAL</b>		<b>\$1,171,539</b>	<b>\$3,690,539</b>
* Also awarded Film Production Tax Credits in FY 2015-16.			

**Table 3e.**  
**Use of Issued Film Production Tax Credits in FY 2017-18**  
**FY 2013 14 Tax Credit Authorization**

Project Name	Entity	Amount Used by FPTC Recipient	Amount Sold/ Transferred
Estranged (fka, Sundowning, aka, The Visit)	Jamison Farms Productions, LLC	\$0	\$300,588
The Women of Philadelphia (aka, The Daring Women of Philadelphia)	History Making Productions, LLC	\$0	\$331,798
<b>TOTAL</b>		<b>\$0</b>	<b>\$632,386</b>

**Table 3e.**  
**Use of Issued Film Production Tax Credits in FY 2017-18**  
**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
<b>TOTAL</b>		<b>\$0</b>	<b>\$20,876</b>

**Table 3f.**  
**Summary Table: Use of Issued Film Production Tax Credits in FY 2017-18**  
**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	2	\$0	\$632,386
FY 2014-15	5	\$1,171,539	\$3,690,539
FY 2015-16	13	\$1,111,202	\$15,780,520
FY 2016-17	10	\$0	\$7,092,133
FY 2017-18	0	\$0	\$0
<b>GRAND TOTAL</b>	<b>28</b>	<b>\$2,282,741</b>	<b>\$27,216,454</b>

*NOTE: Three productions received Film Production Tax Credits from two different fiscal year tax credit allocations. While they are included in the count for each fiscal year the 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.*