

REPORT TO THE GENERAL ASSEMBLY

FILM PRODUCTION TAX CREDIT PROGRAM

FY 2018-19



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Film Production Tax Credit Program
FY 2018-19

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REPORT TO THE GENERAL ASSEMBLY PENNSYLVANIA'S FILM PRODUCTION TAX CREDIT PROGRAM FY 2018-19

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. The program provides a tax credit equal (in most cases) to 25% of a production's "qualified film production expenses" if at least 60% of a production's total budget is spent in Pennsylvania¹. The program was first authorized under Act 55 of 2007 and amended by Act 85 of 2012, Act 52 of 2013, Act 84 of 2016 (which placed the program under an umbrella "Entertainment Production Tax Credit" program, and Act 13 of 2019. 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"² 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 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 post-production facility," i.e., a facility located in Pennsylvania with a capital investment of at least \$500,000 and employ 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.

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

¹ 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.

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 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, 7-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.

Since the program's inception, close to \$745 million in Film Production Tax Credits have been approved/awarded³ to film production companies. These companies have, or will have upon completion, directly injected nearly \$3 billion into the state's economy; generated an estimated \$4.4 billion in total economic activity and \$659 million in total state and local taxes; and supported an estimated 25,500 full-time equivalent PA 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 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 reissuance of unused tax credits from: (a) completed productions whose awarded tax credit is below the amount initially approved or (b) productions that were approved for a tax credit but withdrew from the program,⁴ starting with productions approved in FY 2017-18. The reissued tax credits are provided to productions not initially approved for a tax credit and/or to productions that received approval for only a portion of the amount of tax credits for which they are eligible (e.g., large-budget feature films or TV series).⁵ (Note: Every year the program is oversubscribed with the total amount of requested tax credits far exceeding each year's total available allocation.)
- (5) Updated/revised *Implan* multipliers.

³ It is important to note the distinction between 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 production's actual qualified expenditures, as confirmed by a certified public accountant in an Examination Engagement Report. 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.

⁴ Almost every year, a number of productions withdraw or are withdrawn by DCED from the Film Production Tax Credit Program. Reasons for withdrawal include among others a production's inability to secure the necessary financing, scheduling conflicts involving key cast members, and/or the lack of qualified production crew members when needed that prevent the production company from commencing filming in PA within the program's required 90-day window following the production's approval for a Film Production Tax Credit. In addition, productions that fail to complete all production activity and/or file the requisite end-of-production Examination Engagement Report and other required documents within the specified time period are withdrawn.

⁵ 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 2018-19

The Pennsylvania Film Office has received and reviewed approximately 825 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 494 productions through FY 2018-19. Productions receiving tax credits have ranged from small-budget films 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.

The total amount of tax credits approved for the nine productions that received approval for tax credits from the FY 2018-19 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 11 productions that received conditional approval only for tax credits to be issued in FY 2019-20, FY 2020-21, and/or FY 2021-22 since production companies at times withdraw from the program prior to production commencing and because there is no guarantee the program will continue or that a sufficient amount of tax credits will be authorized during the annual budget process.

Tax Credits Approved/Awarded by Type of Film Production, FY 2007-08 through FY 2018-19

The following table provides for each major category of film production: (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 expenditures since the program began in FY 2007-08 through FY 2018-19.

**Tax Credits Approved/Awarded by Type of Film Production
FY 2007-08 through FY 2018-19**

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	\$1,479,244	\$34,401	\$18,950	\$6,262,286
Documentaries	29	\$4,353,873	\$150,134	\$119,430	\$18,332,364
Feature Films	145	\$423,654,559	\$2,921,756	\$291,647	\$1,651,486,884
TV Productions	272	\$314,324,649	\$1,155,605	\$229,148	\$1,266,058,180
Other	5	\$334,294	\$66,859	\$71,713	\$1,625,067
Total/Average	494	\$744,146,619	\$1,506,370	\$193,708	\$2,943,764,780

Data excluded for the 11 productions approved for nearly \$10.5 million in tax credits on a conditional basis only from the upcoming fiscal year(s) tax credit allocations. Includes data on productions approved for tax credits in FY 2018-19 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. Also included are productions that were approved for tax credits in FY 2018-19 using reissued tax credits from prior year allocations.

As shown, TV productions account for the largest number of projects approved/awarded Film Production Tax Credits (272, or 55% of the total) since the program began, but received 42% of the tax credits. In contrast, feature films account for 29% of the projects approved/awarded tax credits but a far higher percentage (57%) of the \$744.1 million in total approved/awarded tax credits. The difference in the number of projects relative to the dollar amount of tax credits approved/awarded between the two types of production is largely due to the small number of large-budget feature films that have received tax credits. The 10 feature films with production budgets of at least \$50 million represent 2% of the number of productions awarded a tax credit but 23% of the total dollar amount. Note: Following the authorization to provide conditional tax credits from future year, the percentage of tax credits approved/awarded to TV productions has steadily risen as more large-budget, multi-season TV series film in the state.

The average (mean) dollar amount of Film Production Tax Credits approved/awarded to feature films is also significantly higher than for TV or the other types of 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 shows.

Tax Credits Approved/Awarded by Size of Total Production Budget, FY 2007-08 – FY 2018-19

Lower budget productions account for a majority approved/awarded a Film Production Tax Credit but a very small percentage of the total dollar amount of tax credits approved/awarded, as shown in the table below. The 250 productions with budgets under \$1 million together account for 51% of productions approved/awarded a film tax credit, but just 3% of the tax credits approved/awarded since the program began. In contrast, the 15 productions (10 feature films and 5 television shows) with actual or projected budgets of \$50 million or more represent 3% of the total number of projects, but 34% 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 250 productions with budgets under \$1 million.

The following table shows: (a) the total number of productions approved/awarded film tax credits through FY 2018-19 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 2018-19, as provided in their project applications.

Tax Credits Approved/Awarded by Size of Total Production Budget FY 2007-08 through FY 2018-19

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	33	7%	\$334,648	0.04%	\$1,487,808
100k - \$250k	65	13%	\$2,114,923	0.3%	\$8,842,262
\$250k - \$500k	71	14%	\$5,471,680	0.7%	\$23,114,310
\$500k - \$750k	47	10%	\$6,015,844	0.8%	\$25,331,643
\$750k - \$1 mil	34	7%	\$5,759,793	0.8%	\$24,209,334
\$1 mil - \$2.5 mil	98	20%	\$29,708,120	4.0%	\$123,152,795
\$2.5 mil - \$5.0 mil	44	9%	\$30,725,929	4.1%	\$126,168,688
\$5.0 mil - \$10 mil	26	5%	\$36,763,007	4.9%	\$153,323,224
\$10 mil - \$25 mil	21	4%	\$73,664,460	9.9%	\$290,843,554
\$25 mil - \$50 mil	40	8%	\$297,086,915	39.9%	\$1,199,346,199
\$50 mil - \$100 mil	10	2%	\$136,071,374	18.3%	\$498,412,707
\$100+ million	5	1%	\$120,429,928	16.2%	\$469,532,257
TOTAL	494	100%	\$744,146,619	100%	\$2,943,764,780

Data excluded for the 11 productions approved for nearly \$10.5 million in tax credits on a conditional basis only from the upcoming fiscal year(s) tax credit allocations. Includes data on productions approved for tax credits in FY 2018-19 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. Also included are productions that were approved for tax credits in prior years as well as from the FY 2018-19 allocation.

SUMMARY FOR PRODUCTIONS APPROVED/AWARDED TAX CREDITS IN FY 2018-19

The Pennsylvania Film Office approved 26 of the 73 Film Production Tax Credit applications the office received for tax credits from the FY 2018-19 allocation. Nine of these productions also received conditional approval for \$41.7 million in tax credits from future year allocations (subject to the availability of future tax credits). An additional 11 productions (2 documentaries, 2 television programs, and 7 feature films) received conditional approval only for tax credits totaling \$10.5 million from future year allocations, with three of these productions also approved for tax credits from the FY 2017-18 allocation. Productions with conditional approval only are excluded from the tables presented below.

Under provisions of Act 84 of 2016, DCED is authorized to re-issue unused tax credits from completed film productions whose final tax credit award is below the amount of tax credit for which the production was initially approved, starting with those awarded tax credits in fiscal years after June 30, 2017. In FY 2018-19, there were four productions approved for \$4,875,302 in unused film production tax credits from the FY 2017-18 allocation. The data for all four of these productions is listed in a separate table (Table 1-1) in a later section. *Note: Two of these productions also received approval for tax credits from the FY 2018-19 allocation and, as such, are included in the tables below.*

Tax Credits Approved by Production Type, FY 2018-19

As in prior years, feature films and television programs accounted for the vast majority of tax credit approvals in FY 2018-19 in terms of both the number of productions and the total dollar amount of tax credits approved. Together, feature films and television programs accounted for all but one (a documentary) of the 26 approved projects and over 99.8% of the \$65 million in tax credits approved/awarded from the FY 2018-19 allocation.

As of June 30, 2019, three productions approved for Film Production Tax Credits from the FY 2018-19 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 2018-19 Film Production Tax Credit Authorization**

Production Category	Total Number of Productions	Percent of Total Number of Productions	Total Dollar Amount of FY 2018-19 Tax Credits Approved/Awarded	Percent of Dollar Amount of Tax Credits Approved/Awarded
Commercials	0	0%	\$0	0%
Documentaries	1	4%	\$111,607	0.2%
Feature Films	6	23%	\$31,314,648	48%
TV Productions	19	73%	\$33,573,745	52%
Other	0	0%	\$0	0%
TOTAL	26	100%	\$65,000,000	100%

Data excluded for the 11 productions approved for nearly \$10.5 million in tax credits on a conditional basis only from the upcoming fiscal year(s) tax credit allocations. Includes data on productions approved for tax credits in FY 2018-19 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. Also included are productions that were approved for tax credits in prior years as well as from the FY 2018-19 allocation.

Tax Credits Approved by Size of Total Production Budget, FY 2018-19

Seven productions, or close to 30% of the productions approved for a Film Production Tax Credit from the FY 2018-19 allocation, had total production budgets under \$1 million and together accounted for just 1.3% of the fiscal year's approved tax credits. An additional four productions had total budgets between \$1 million and \$5 million. Taken together with the lowest budget productions, these 11 productions represented 42% of the productions approved for a film tax credit from the FY 2018-19 allocation, but accounted for just 3% of the total dollar amount of approved tax credits.

The one feature film and three television productions with total budgets over \$50 million accounted for 15% of the productions approved for a tax credit from the FY 2018-19 Film Production Tax Credit allocation and for over a third (or close to \$22.4 million) of the \$65 million in tax credits approved for FY 2018-19. These four productions were also approved for close to \$25 million from the FY 2017-18 allocation and are expected to spend almost \$240 million in Pennsylvania upon completion.

Tax Credits Approved/Awarded by Size of Total Production Budget FY 2018-19 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	0	0%	\$0	0%	\$0
\$250k - \$500k	3	12%	\$158,874	0.2%	\$744,837
\$500k - \$750k	4	15%	\$678,461	1%	\$2,442,655
\$750k - \$1 mil	0	0%	\$0	0%	\$0
\$1 mil - \$2.5 mil	4	15%	\$1,360,252	2%	\$6,881,726
\$2.5 mil - \$5.0 mil	0	0%	\$0	0%	\$0
\$5.0 mil - \$10 mil	0	0%	\$0	0%	\$0
\$10 mil - \$25 mil	3	12%	\$3,635,059	6%	\$51,479,704
\$25 mil - \$50 mil	8	31%	\$36,784,919	57%	\$287,562,532
\$50 mil - \$100 mil	3	12%	\$16,151,151	25%	\$151,341,655
\$100+ million	1	4%	\$6,231,284	10%	\$87,693,370
TOTAL*	26	100%	\$65,000,000	100%	\$588,146,479

Data excluded for the 11 productions approved for nearly \$10.5 million in tax credits on a conditional basis only from the upcoming fiscal year(s) tax credit allocations, with 3 of these productions also initially approved for a tax credit from the FY 2017-18 allocation. Includes data on the productions approved for tax credits in FY 2018-19 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 both prior year and FY 2018-19 Film Production Tax Credit allocations.

FY 2018-19 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, Act 84 of 2016, and Act 13 of 2019) 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 2018-19 is provided in the following sections of this report.

DCED approved 26 applications for Film Production Tax Credits from the FY 2018-19 Film Production Tax Credit allocation, with 11 of these productions also approved for tax credits from prior year allocations – including two productions that received an allocation from the unused tax credits from FY 2017-18. As of June 30, 2019, three productions approved for tax credits from the FY 2018-19 allocation had completed all production activities, submitted the required Examination Engagement and economic impact reports, and been issued a Film Production Tax Credit Certificate during the 2018-19 fiscal year. Data for these three productions is included on Table 2 list of the completed productions issued Film Production Tax Credit Certificates in FY 2018-19.

Table 1 lists the remaining 23 productions that were approved for tax credits from the FY 2018-19 allocation but had yet to be completed by June 30, 2019, and two additional productions that received tax credit approval from the unused FY 2017-18 allocation only. 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.

Table 1.1 lists the four productions that were approved in FY 2018-19 for tax credits using FY 2017-18 unused tax credits. Note: Two of these productions also were approved for tax credits from the FY 2018-19 allocation and are also listed in Table 1.

Table 2 lists the productions that: (a) received a Film Production Tax Credit Certificate in FY 2018-19 indicating the production was complete and had filed all the required end of production reports, by region and fiscal year in which the tax credit was authorized; (b) the actual amount of tax credits awarded for each production; and (c) the estimated economic impact of the production in terms of sales, employment, and state and local taxes generated. 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 was less than the amount specified in the proposed budget, the actual amount of tax credits awarded was 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 exceeded the amount specified in the proposed budget, the tax credit was limited to the amount specified in the approval letter issued by the department to the production company.

The third and final section provides a list of completed productions that used and/or sold or assigned their Film Production Tax Credits in FY 2018-19 and the dollar amounts, by fiscal year in which the production was approved to participate in the Film Production Tax Credit Program.

To date, there are 51 film productions approved for \$163.3 million in Film Production Tax Credits that have yet to complete production and/or the steps required to be issued a Film Production Tax Credit Certificate.

**Table 1. Film Production Tax Credits Approved But Project Not Completed in FY 2018-19
By Region**

Note: The amount of Approved Tax Credits shown is from the FY 2018-19 allocation only, i.e., does not include any amounts approved in previous years and/or conditionally approved from upcoming fiscal years.

Note: Three productions approved for a Film Production Tax Credit in FY 2018-19 had completed all phases of production, submitted the required reports, and awarded a Film Production Tax Credit Certificate before the end of FY 2018-19. The data for these productions is presented in Table 2.

Table 1. Film Productions Approved in FY 2018 19, But NOT Completed by June 30, 2019		
Region/Project Title	Entity Name	Approved Tax Credit
Philadelphia and The Countryside		\$33,334,220
17 Bridges	Seventeen Bridges, LLC (STX Productions, LLC)	\$8,999,890
Creed II**	Creed II Productions, LLC (MGM)	\$7,000,000
Dispatches From Elsewhere (Season 1)*	Dispatches Productions I, LLC (Stalwart Films, LLC & AMC TV Studios, LLC)	\$5,530,606
Hit Properties with Nate Morris (Postproduction Only)#	Glass Entertainment Group, LLC	\$20,090
Ice Cold Serial Killer (Postproduction Only)	ICSK, LLC (Glass Entertainment Group, LLC)	\$71,570
Kemper on Kemper (Postproduction Only)	Glass Entertainment Group, LLC	\$67,214
Let's Eat (Season 1) (Postproduction Only)	Let's Eat, LLC (Glass Entertainment Group, LLC)	\$182,623
Pool Kings (Season 8) (Postproduction Only)	PK 8, LLC (Glass Entertainment Group, LLC)	\$182,046
QVC (7/1/2018 - 6/30/2019)	QVC, Inc.	\$3,800,000
Servant (Season 1)*#	Uncle George Productions, LLC (Blinding Edge - M. Night)	\$5,000,000
Symphonic Revolution: China and the Future of Classical Music*	History Making Productions, LLC	\$111,607
Tanked (Season 8) (Postproduction Only)	Tanked 8, LLC (Glass Entertainment Group, LLC)	\$716,000
The Killer Closer - (Postproduction Only)	Killer Closer, LLC (Glass Entertainment Group, LLC)	\$146,792
The Vet Life (Season 2) (Postproduction Only)	Texas Vets, LLC (Glass Entertainment Group, LLC)	\$465,466
The Vet Life (Season 3) (Postproduction Only)*	The Vet Life, LLC (Glass Entertainment Group, LLC)	\$67,179
Xploration Nation (2017/21)*	Steve Rotfeld Productions, Inc.	\$973,137
Pittsburgh and Its Countryside		\$26,487,574
\$1*	Eye Productions, Inc. (CBS Studios, Inc.)	\$3,620,545
I Am Not Okay With This (Season 1)*	Teen Angst Productions, LLC (Netflix)	\$1,000,000
Manhunt: Lone Wolf*	Manhunt Productions, Inc. (Lionsgate)	\$3,027,947
MindHunter (Season 2)* (fka Untitled Seventies Project)	Late Seventies Productions, LLC (formerly Em Ache Production, LLC) (Netflix)	\$6,231,284
Pickle	Gravitational Production, LLC (Sony Pictures Entertainment)	\$11,312,798
You Are My Friend (Mr. Rogers)*	TriStar Productions, Inc. (formerly Real Heaven, Inc. (Sony Pictures Entertainment)	\$1,295,000
Pennsylvania Wilds		\$167,000
TomBob Outdoors, Friends in Wild Places (Season 7)	TomBob Outdoors, LLC (Continuous Metal Technology, Inc.)	\$167,000
STATE TOTAL		\$59,988,794
NOTE: STATE TOTAL does not sum to \$65 million because it excludes the three productions approved for a tax credit in FY 2018-19 that were completed and issued a Film Production Tax Credit Certificate during the fiscal year. Data for these productions is shown in Table 2.		
*Approved for Film Production Tax Credits in FY 2018-19 and prior fiscal year(s). Amount of tax credit shown is only the FY 2018-19 portion.		
+Approved for Film Production Tax Credits in FY 2018-19 and conditional approval for credits in subsequent fiscal year(s); amount of tax credit shown is only the amount approved from the FY 2018-19 allocation.		
# Approved for Film Production Tax Credits in FY 2018-19 and reissued tax credits from FY 2017-18.		

**Table 1.1.
Film Productions Approved in FY 2018 19 From Reissued FY 2017 18 Tax Credits**

Region/Project Title	Entity Name	Amount from FY 2017 18 Unused Tax Credits
Philadelphia and The Countryside		\$4,699,256
Hit Properties with Nate Morris (Postproduction Only) [#]	Glass Entertainment Group, LLC	\$44,932
Servant (Season 1) ^{+#}	Uncle George Productions, LLC (Blinding Edge - M. Night)	\$4,654,324
Pennsylvania Wilds		\$99,881
Heroin Film	Heroin Film, LLC	\$99,881
Pennsylvania's Great Lakes Region		\$76,165
Unearth	Unearth Film, LLC	\$76,165
STATE TOTAL		\$4,875,302
<p><i>+Also approved for Film Production Tax Credits in FY 2018-19 and conditional approval for credits in subsequent fiscal year(s); amount of tax credit shown is only the amount of reissued tax credits from the FY 2017-18 allocation.</i></p>		
<p><i># Also approved for Film Production Tax Credits from the FY 2018-19 tax credit allocation. Amount of tax credit shown is only the amount of reissued tax credits from the FY 2017-18 allocation.</i></p>		

FILM PRODUCTION TAX CREDIT CERTIFICATES AWARDED IN FY 2018-19

Pursuant to Section 8711 – D(a) of Act 55 of 2007, the data for productions claiming tax credits in FY 2018-19 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 2018-19. 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 2017-18 and FY 2018-19 allocations are shown only in the FY 2018-19 table (Table 2a) and not also in the FY 2017-18 table (Table 2b).

Table 2. Film Production Tax Credit Certificates Awarded & Estimated Economic Impact For Productions Completed in FY 2018-19

Table 2a. Film Production Tax Credit Certificates Awarded in FY 2018 19 for Tax Credits From FY 2018 19 Tax Credit Allocation				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		\$15,019,440	\$50,985,235	\$79,027,114	459	\$11,420,897
Glass ⁺	Cabana 13 Productions, LLC (M. Night)	\$6,661,922	\$22,206,407	\$34,419,931	200	\$4,974,324
Untouchable [*] (aka, The Upside)	Feel Good Films, Inc. (The Weinstein Company)	\$8,357,518	\$28,778,828	\$44,607,183	259	\$6,446,573
Pittsburgh and Its Countryside		\$10,017,208	\$33,390,694	\$51,755,576	301	\$7,479,649
Gone [*] (fka, One Kick)	Open 4 Business Productions, LLC (NBCU International Studios)	\$10,017,208	\$33,390,694	\$51,755,576	301	\$7,479,649
FY 2018-19 STATE TOTAL		\$25,036,648	\$84,375,929	\$130,782,690	759	\$18,900,546
<p>+ Also approved for Film Production Tax Credits from FY 2017-18 allocation. * Also approved for Film Production Tax Credits from FY 2016-17 and FY 2017-18 allocations. Data shown is combined total for all fiscal years.</p>						

Table 2b.
Film Production Tax Credit Certificates Awarded in FY 2018 19 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
Pennsylvania Wilds		\$167,000	\$705,192	\$1,093,048	6	\$157,966
TomBob Outdoors, Friends in Wild Places (Season 6)	Continuous Metal Technology, Inc. TomBob Outdoors, LLC	\$167,000	\$705,192	\$1,093,048	6	\$157,966
Philadelphia and The Countryside		\$3,626,938	\$16,316,238	\$25,290,169	148	\$3,654,903
Desert Flippers (Season 2)	Glass Entertainment, LLC	\$296,847	\$1,475,976	\$2,287,763	13	\$330,625
Flowing Water	FreshFly	\$91,377	\$401,260	\$621,953	4	\$89,884
Greatest Holiday Commercials 2018	Juma Entertainment, LLC	\$177,954	\$903,329	\$1,400,160	8	\$202,349
K9 Undercover	All Ages Productions, LLC	\$75,712	\$302,849	\$469,416	3	\$67,839
Lawn and Order (Season 1)	Glass Entertainment Group, LLC	\$309,326	\$1,385,237	\$2,147,117	12	\$310,299
Reflections	Glass Entertainment Group, LLC	\$29,669	\$118,674	\$183,945	1	\$26,583
Seeking Solutions w/Suzanne (2017/18)	Kelly Ryan Productions	\$282,892	\$1,131,568	\$1,753,930	10	\$253,476
Shedim	Glass Entertainment, LLC	\$22,244	\$88,976	\$137,913	1	\$19,931
Tanked (Season 6) [#]	Tanked 6, LLC (Nancy Glass Productions, Inc.)	\$1,239,224	\$6,101,599	\$9,457,478	55	\$1,366,783
The Noise	All Ages Productions, LLC	\$9,173	\$36,693	\$56,874	1	\$8,219
The Nomads	The Nomads Movie, LLC	\$341,868	\$1,367,472	\$2,119,582	12	\$306,319
Unique Rides	Alkemy X - Unique Rides, LLC	\$678,013	\$2,712,050	\$4,203,678	24	\$607,510
Wyeth	FreshFly	\$67,637	\$270,548	\$419,349	2	\$60,604
Zippers: Proof of Concept	Crooked & Narrow Movie, LLC	\$5,002	\$20,007	\$31,011	1	\$4,482
FY 2017-18 STATE TOTAL		\$3,793,938	\$17,021,430	\$26,383,217	154	\$3,812,868

[#] 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 2018 19 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		\$5,320,494	\$46,895,057	\$72,687,338	422	\$10,504,680
Fright Fest	4Bs Entertainment, LLC	\$185,861	\$755,888	\$1,171,626	7	\$169,322
Greatest Sports Legend Presents	Steve Rotfeld Productions, Inc.	\$264,735	\$1,058,938	\$1,641,354	10	\$237,206
QVC Television Programs (9/1/2016 to 8/31/2017)	QVC, Inc.	\$4,000,000	\$41,600,641	\$64,480,994	374	\$9,318,710
Whisper	Whisper Film Co. (Nationlight Productions, LLC)	\$32,198	\$128,792	\$199,628	1	\$28,850
Xploration Station: Xploration Sports Science & Xploration Science Fact or Fiction	Steve Rotfeld Productions, Inc.	\$837,700	\$3,350,798	\$5,193,737	30	\$750,592
Pittsburgh and Its Countryside		\$1,021,956	\$4,087,822	\$6,336,124	37	\$915,688
Prepared For A Purpose	Topanga Productions, Inc. (Sony Pictures Television, Inc.)	\$1,021,956	\$4,087,822	\$6,336,124	37	\$915,688
FY 2016-17 STATE TOTAL		\$6,342,450	\$50,982,879	\$79,023,462	459	\$11,420,369

Table 2d.
Film Production Tax Credit Certificates Awarded in FY 2018 19 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
Lehigh Valley		\$455,083	\$1,820,330	\$2,821,512	16	\$407,761
Mission Resolve	Blue Ninja Productions, LLC	\$455,083	\$1,820,330	\$2,821,512	16	\$407,761
Philadelphia and The Countryside		\$25,351	\$101,405	\$157,178	1	\$22,715
The Real Story: INVINCIBLE	The Workshop, LLC	\$25,351	\$101,405	\$157,178	1	\$22,715
Pittsburgh and Its Countryside		\$27,691	\$110,762	\$171,681	1	\$24,811
YINZ	YINZ Movie, LLC	\$27,691	\$110,762	\$171,681	1	\$24,811
FY 2015-16 STATE TOTAL		\$508,125	\$2,032,497	\$3,150,370	18	\$455,287

USE OF TAX CREDITS

Act 55 of 2007, as amended by Act 85 of 2012, Act 52 of 2013, Act 84 of 2016, and Act 13 of 2019 allows Film Production Tax Credits to be applied against the tax liability of the Pennsylvania personal income tax, corporate net income tax, capital stock and franchise tax, bank shares tax, and/or insurance premiums tax. 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 authorized 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 provided 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 2018-19 By Fiscal Year of Tax Credit Authorization

Film production companies may sell or assign their tax credits to one or more entities. In FY 2018-19, more than \$31.4 million in Film Production Tax Credits from 15 film productions were sold, transferred, or redeemed. *(Note: Two of these productions received tax credits from two or more fiscal year allocations of Film Production Tax Credits. These productions sold or assigned their tax credits, with the amounts listed separately below for each of the two fiscal years.)* The vast majority of tax credits (i.e., 98%, or \$30.9 million) was sold or transferred to another entity, with the remaining \$0.5 million used by a production company to reduce its Pennsylvania state tax liability.

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 for each year in which the production was 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 2018-19 FY 2018 19 Tax Credit Authorization			
Project Name	Entity	Amount Used by FPTC Recipient	Amount Sold/ Transferred
Untouchable (aka, The Upside)	Feel Good Films, Inc. (The Weinstein Company)	\$0	\$1,045,038
TOTAL		\$0	\$1,045,038

Table 3b.
Use of Issued Film Production Tax Credits in FY 2018-19
FY 2017 18 Tax Credit Authorization

Project Name	Entity	Amount Used by FPTC Recipient	Amount Sold/ Transferred
Desert Flippers (Season 2)	Glass Entertainment, LLC	\$0	\$296,847
Lawn and Order (Season 1)	Glass Entertainment Group, LLC	\$0	\$309,326
MindHunter (Season 1)*	Em Ache Productions, LLC (Netflix)	\$0	\$4,428,542
Tanked (Season 6)*	Tanked 6, LLC (Nancy Glass Productions, Inc.)	\$0	\$1,156,940
The Noise	All Ages Productions, LLC	\$0	\$9,173
TomBob Outdoors, Friends in Wild Places (Season 6)	Continuous Metal Technology Inc, TomBob Outdoors, LLC	\$0	\$167,000
TOTAL		\$0	\$6,367,828
* Also awarded Film Production Tax Credits in FY 2015-16 and FY 2016-17.			
* Also awarded Film Production Tax Credits in FY 2015-16.			

Table 3c.
Use of Issued Film Production Tax Credits in FY 2018-19
FY 2016 17 Tax Credit Authorization

Project Name	Entity	Amount Used by FPTC Recipient	Amount Sold/ Transferred
Big Easy Motors	Big Easy Motors, LLC (Nancy Glass Productions)	\$0	\$635,529
Fright Fest	4Bs Entertainment, LLC	\$0	\$185,861
Greatest Sports Legend Presents	Steve Rotfeld Productions, Inc.	\$0	\$264,735
MindHunter (Season 1)*	Em Ache Productions, LLC (Netflix)	\$0	\$6,366,329
Xploration Station: Xploration Sports Science & Xploration Science Fact or Fiction	Steve Rotfeld Productions, Inc.	\$0	\$837,700
TOTAL		\$0	\$8,290,154
* Also awarded Film Production Tax Credits in FY 2015-16 and FY 2017-18.			

Table 3d.
Use of Issued Film Production Tax Credits in FY 2018-19
FY 2015 16 Tax Credit Authorization

Project Name	Entity	Amount Used by FPTC Recipient	Amount Sold/ Transferred
Insomnia	Insomnia Movie, LLC	\$0	\$55,071
MindHunter (Season 1)*	Em Ache Productions, LLC (Netflix)	\$0	\$12,000,000
Mission Resolve	Blue Ninja Productions, LLC	\$0	\$455,083
Split	K.W. Crumb Productions, LLC (Blinding Edge Pictures)	\$0	\$2,592,674
Tanked (Season 6)*	Tanked 6, LLC (Nancy Glass Productions, Inc.)	\$0	\$82,284
The Most Wonderful Time (aka, Love the Coopers; fka, Tis the Season)	CBS Films, Inc.	\$519,980	\$0
TOTAL		\$519,980	\$15,185,112
* Also awarded Film Production Tax Credits in FY 2016-17 and FY 2017-18.			
* Also awarded Film Production Tax Credits in FY 2017-18.			

**Table 3f.
Summary Table: Use of Issued Film Production Tax Credits in FY 2018-19
By Fiscal Year of Tax Credit Authorization**

Fiscal Year	Total Number of Productions	Amount Used by FPTC Recipient	Amount Sold/ Transferred
FY 2015-16	6	\$519,980	\$15,185,112
FY 2016-17	5	\$0	\$8,290,154
FY 2017-18	5	\$0	\$6,367,828
FY 2018-19	1	\$0	\$1,045,038
GRAND TOTAL	15	\$519,980	\$30,888,132

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