

New York State
Department of
Taxation and Finance



Report on the Empire State Film Production Tax Credit

June 2007

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Introduction

Chapter 60 of the Laws of 2004 created the Empire State Film Production Credit to promote film and television production in New York State. The credit is available under Article 9-A, the Franchise Tax on Business Corporations, and Article 22, the Personal Income Tax. As enacted, the credit was limited to \$25 million annually and was scheduled to expire on August 20, 2008. Chapters 61 and 62 of the Laws of 2006 increased the annual cap to \$60 million and extended the sunset through December 31, 2011.

The credit is administered by the Governor's Office for Motion Picture and Television Development (MP/TV), which is the entity also responsible for monitoring the status of the credit cap.

Chapter 60 also mandated an annual report evaluating the effectiveness of the tax credit in stimulating the growth of the film industry in the State. This report was prepared by the Office of Tax Policy Analysis (OTPA) and MP/TV using data from applications filed with MP/TV for allocation of film production credits.

Credit Eligibility and Calculation

A taxpayer that is a qualified film production company subject to tax under Articles 9-A or 22 can apply to MP/TV to receive the refundable, 10 percent Empire State Film Production Credit. An additional 5 percent credit is available from New York City.

To become a qualified production company, 75 percent of film production facility expenditures must be spent at a qualified film production facility, defined as a facility in New York in which television shows and films are or are intended to be regularly produced, and which contains at least one sound stage of at least 7,000 square feet. Productions which qualify for the credit are feature length films or television films, pilots, or series. Generally, documentaries, news or current affairs programs, interview or talk shows, instructional videos, sport shows or events, daytime soap operas, reality programs, commercials, and music videos do not qualify for the credit.

Taxpayers meeting the test above can qualify for a credit of 10 percent on qualified costs incurred at the facility. Qualified costs are costs for tangible property or services used or performed within New York

directly and predominantly in the production (including post production) of a qualified film. Qualified production costs generally include most below the line items such as costs of technical and crew production, expenditures for facilities, props, makeup, wardrobe, set construction, and background talent, and generally exclude costs of stories and scripts, and wages for writers, directors, producers, and performers (other than extras without spoken lines).

Generally, *above the line* and *below the line* are terms of art in the film and television industry referring to divisions of categories or types of spending on the budget form. *Above the line* typically means fees and salaries for the creative team (director, producers, actors, writers) and the cost of purchase of the story and/or script, while *below the line* refers to all the other the “hard” costs of production (crew salaries, equipment and facilities rental, film and lab costs, construction, materials, props, makeup, wardrobe, locations, editing, and catering -- essentially everything else involved in production of the film).

If a production has met the 75 percent test for production facility expenditures as described above, it may also qualify for the tax credit based upon qualified expenditures outside the qualified facility that are related to pre-production, location production, and post production in New York in one of two possible ways:

a) if the qualified New York expenditures related to the qualified production facility total \$3 million or more, then all qualified expenditures related to pre-production, location, and post production in New York State qualify for the credit;

b) if expenditures on the qualified production facility days are less than \$3 million, then the production must shoot at least 75 percent of all its location days in New York State in order to include expenditures incurred in New York State outside the qualified production facility on pre-production, production, and post production. The 75 percent threshold applies to a percent of the total location days only, not to the total shoot days. Shooting days spent at facilities are not used to calculate this threshold; only the ratio of shooting days spent on locations anywhere in New York State compared to shooting days on locations outside of New York State are used.

Credit Application and Allocation

The State of New York allocated \$25 million in aggregate credit per year beginning on January 1, 2004, and \$60 million in aggregate credit per year beginning on January 1, 2006. The credit is offered on a first come, first serve basis. Applicants “rollover” or move into the next year’s funding cycle if the credit limit is reached. Applications for the credit must be submitted to MP/TV not more than 180 days prior to the start of principal and ongoing photography.

To apply for the credit, a production company must first submit an initial application which leads to conditional approval of the project. Applicants provide data, such as the type of production, production schedule, and location information, and projected expenditures which help MP/TV determine if a given production is eligible and qualifies for participation in some aspect of the tax incentive program. Projected expenditures are provided for items such as estimated total budget, estimates of expenditures at a qualifying production facility, estimates of shooting days and expenditures in New York, and estimates of shooting days and expenditures outside of New York.

After reviewing the information provided in the initial application, MP/TV makes an initial determination if the applicant is certified for conditional eligibility in the program.

After the production is complete, the applicant submits a final application to MP/TV detailing actual expenditures both within and without New York demonstrating that the required thresholds were met, as well as additional supporting data, such as a payroll expenditure report, a complete cast and crew list, and daily production reports, used to form the basis for the credit. Based on a review of these documents, MP/TV determines the amount of credit earned by the applicant and provides a tax credit certificate specifying the amount of tax credit allocated. The final amount allocated to an applicant will not be established until after the production of the film is determined to be complete.

The applicant includes this credit allocation certificate with the filing of its tax return for the year in which the credit is allowed. The credit is applied to the New York State tax liability of the applicant that owns or controls the applicable qualified film for the year in which the production was completed. If the taxpayer is unable to use the entire credit during the year in which the credit is earned, 50 percent of the unused portion of the credit may be requested as a refund. The remaining 50 percent is carried forward to the subsequent year, with any unused remainder in that year fully refundable.

Legislative Mandate

Section 8 of Part P of Chapter 60 of the Laws of 2004 requires the Commissioner of Taxation and Finance to conduct a study regarding the Empire State Film Production Credit, in conjunction with the Director of the Governor's Office for Motion Picture and Television Development. The legislative mandate follows:

The commissioner of the department of taxation and finance, in conjunction with the director of the governor's office for motion picture and television development, shall submit to the governor, the temporary president of the senate, and the speaker of the assembly, an annual report to be submitted in February of each year evaluating the effectiveness of the film production tax credit provided by this act in stimulating the growth of the film industry in the state. Such report shall include, but not be limited to, in total and by qualified film, the number of qualified films, the qualified production costs, the production costs, the qualified film production facilities, and the credit amounts claimed by each qualified film, as well as the impact on employment and the economy of the state and city of New York. Such report shall be based on data available from the application filed with the governor's office for motion picture and television development for allocation of film production credits. Notwithstanding any provision of law to the contrary, the information contained in the report shall be public information. The report may also include any recommendations for changes in the calculation or administration of the credit, and any other recommendation of the commissioner regarding continuing modification, or repeal of such act, and such other information regarding the act as the commissioner may feel useful and appropriate.

Statistical Data

Data Considerations

The following tables present information for taxpayers claiming the Empire State Film Production Credit from the 2004 through 2007 allocation pools. The primary source of the data is forms and applications filed with the Office of Motion Picture and Television Development (MP/TV). MP/TV analyzes the submitted materials and determines the amount of credit for which each applicant is eligible.

The credit amounts are the amounts approved by MP/TV after their review and adjustments for disallowed costs. MP/TV issues a certificate to the applicant stating the amount of credit it may claim on its tax return. The credit amounts reported here are amounts calculated by MP/TV and issued on the certificate.

These data are not tax data. They do not reflect amounts actually used to reduce liability or requested as a refund. Such information will appear on tax returns that will not be final and verified for several years due to taxpayer extensions and varying fiscal years. Furthermore, amounts reported on tax returns are subject to Tax Department audit and adjustment for three years after the filing date. Aggregate amounts reported on tax returns for this credit will be published in future Office of Tax Policy Analysis (OTPA) statistical reports once the data become available.

The tables also present data on project employment and shooting days as a way of illustrating the economic impact of the tax credit. Employment figures include all individuals who worked directly on the production, regardless of duration or function. Therefore, they would include individuals employed part-time, extras, and above-the-line talent. Above-the-line costs do not qualify for the credit, however.

To protect proprietary and sensitive information, productions are identified by a project number instead of by name.

Future reports will recap data previously reported, as well as include all newly available information from MP/TV. These data will show amounts approved by MP/TV and issued on credit certificates for each credit allocation year.

Description of Tables	Year	The year of the allocation pool from which the production was awarded credit
Production Costs		Production Costs is an estimate based on total spending reported in the production and post production budget categories with some adjustments for costs on non-excluded wages and/or tangible property appearing in the above the line and/or other budget categories
Total Qualified Costs		The total of all costs approved as qualified by MP/TV for the tax credit after review and revision of the Form E submitted
Credit Amount		The amount of the tax credit ultimately approved as credit by MP/TV after review and revision of final application
Cumulative Total Credit \$\$		The cumulative total of all tax credits approved by MP/TV; this is essential for monitoring the status of the credit relative to the aggregate cap
Total Production Hires		The total of all employees who worked on the production in New York State as listed on Form D: Section 5-2-a
Stage Days NYC		Days cameras roll on principal photography at a qualified production facility located within the five boroughs of New York City
Stage Days NYS		Days cameras roll on principal photography at a qualified production facility located within New York State but <i>outside</i> New York City
Stage Days Outside NYS		Days cameras roll on principal photography at a production facility located outside New York State
Total Stage Days		Total of all days cameras roll on principal photography at a production facility anywhere
Location Days NYC		Days cameras roll on principal photography within the five boroughs of New York City <i>not</i> at a qualified production facility

Location Days NYS	Days cameras roll on principal photography within New York State <i>outside</i> New York City and <i>not</i> at a qualified production facility
Total Location Days NYC & NYS	Total all days cameras roll on principal photography within New York State (including New York City) <i>not</i> at a qualified production facility
Location Days Outside NYS	Days cameras roll on principal photography on any location outside New York State <i>not</i> at a production facility
Total Location Days	Total all days cameras roll on principal photography within and without New York State (including New York City) <i>not</i> at a production facility
Total Shoot Days	Total all days cameras roll on principal photography anywhere, within and without New York State (including New York City), including days within and without a production facility

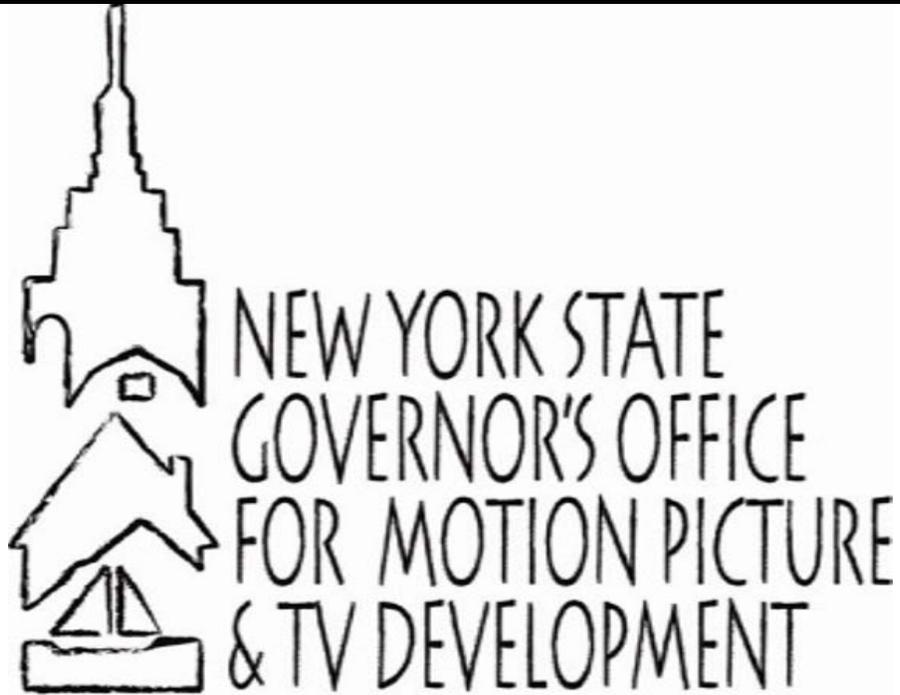
Table 1: List of Credit-Approved Projects, Credit Amounts, and Employment

Project	Year	Project Type	Production Costs	Total Qualified Costs	Credit Amount	Cumulative Total Credit \$\$	Total Production Hires
Project 1	2004	Feature Film	\$5,979,581	\$4,691,932	\$469,193	\$469,193	397
Project 2	2004	TV Series	\$13,251,432	\$13,243,447	\$1,324,345	\$1,793,538	217
Project 3	2004	TV Series	\$22,839,287	\$19,753,552	\$1,975,355	\$3,768,893	1,816
Project 4	2004	TV Series	\$3,941,980	\$3,697,024	\$369,702	\$4,138,595	951
Project 5	2004	Feature Film	\$5,978,550	\$5,679,201	\$567,920	\$4,706,515	887
Project 6	2005	TV Pilot	\$4,112,059	\$3,800,670	\$380,067	\$5,086,582	806
Project 7	2005	TV Pilot	\$2,949,847	\$2,771,301	\$277,130	\$5,363,712	694
Project 8	2005	TV Pilot	\$3,757,835	\$3,675,025	\$367,503	\$5,731,215	585
Project 9	2005	TV Pilot	\$2,266,546	\$2,244,026	\$224,403	\$5,955,618	551
Project 10	2004	TV Series	\$33,682,189	\$25,876,168	\$2,587,617	\$8,543,235	1,294
Project 11	2005	Feature Film	\$18,652,855	\$16,003,351	\$1,600,335	\$10,143,570	2,356
Project 12	2004	TV Series	\$38,299,912	\$29,601,097	\$2,960,110	\$13,103,680	5,025
Project 13	2004	TV Series	\$35,030,001	\$27,266,874	\$2,726,687	\$15,830,367	2,416
Project 14	2006	Feature Film	\$899,020	\$868,286	\$86,828	\$15,917,195	277
Project 15	2004	Feature Film	\$35,755,385	\$33,283,015	\$3,328,301	\$19,245,496	2,057
Project 16	2004	Feature Film	\$9,352,151	\$8,718,876	\$871,888	\$20,117,384	1,331
Project 17	2005	TV Pilot	\$3,586,175	\$3,466,497	\$346,650	\$20,464,034	851
Project 18	2004	TV Series	\$17,830,790	\$14,822,651	\$1,482,265	\$21,946,299	717
Project 19	2005	TV Series	\$3,730,910	\$3,509,648	\$350,965	\$22,297,264	175
Project 20	2006	Feature Film	\$1,642,737	\$1,531,395	\$153,139	\$22,450,403	393
Project 21	2004	TV Series	\$16,037,629	\$14,716,553	\$1,471,655	\$23,922,058	802
Project 22	2004	Feature Film	\$4,755,614	\$4,353,893	\$435,389	\$24,357,447	1,148
Project 23	2005	TV Series	\$11,806,266	\$11,094,606	\$1,109,461	\$25,466,908	2,041
Project 24	2006	Feature Film	\$2,427,998	\$1,787,911	\$178,791	\$25,645,699	421
Project 25	2005	Feature Film	\$1,529,110	\$1,314,669	\$131,467	\$25,777,166	487
Project 26	2005	TV Pilot	\$2,909,885	\$2,832,113	\$283,211	\$26,060,377	803
Project 27	2005	Feature Film	\$20,839,638	\$19,591,891	\$1,959,189	\$28,019,566	2,150
Project 28	2006	TV Series	\$10,537,600	\$10,353,238	\$1,035,324	\$29,054,890	1,612
Project 29	2006	TV Pilot	\$6,258,405	\$6,170,624	\$617,062	\$29,671,952	798
Project 30	2005	Feature Film	\$7,168,383	\$5,781,632	\$578,163	\$30,250,115	704
Project 31	2006	TV Pilot	\$3,944,257	\$3,790,888	\$379,088	\$30,629,203	695
Project 32	2006	TV Pilot	\$4,404,030	\$4,157,437	\$415,744	\$31,044,947	714
Project 33	2005	TV Series	\$37,883,361	\$34,301,256	\$3,430,125	\$34,475,072	2,556
Project 34	2006	TV Series	\$35,830,039	\$32,795,975	\$3,279,597	\$37,754,669	3,830
Project 35	2006	TV Series	\$13,663,273	\$12,955,966	\$1,295,596	\$39,050,265	982
Project 36	2006	TV Pilot	\$3,367,835	\$3,245,976	\$324,597	\$39,374,862	797
Project 37	2006	TV Pilot	\$2,074,292	\$2,003,216	\$200,322	\$39,575,184	658
Project 38	2006	TV Pilot	\$2,377,853	\$2,174,875	\$217,487	\$39,792,671	400
Project 39	2006	TV Pilot	\$4,496,127	\$4,229,082	\$422,908	\$40,215,579	1,183
Project 40	2005	Feature Film	\$1,262,021	\$1,005,597	\$100,560	\$40,316,139	305
Project 41	2007	TV Pilot	\$3,924,806	\$3,796,349	\$379,635	\$40,695,774	403
Project 42	2005	TV Series	\$14,123,176	\$14,020,621	\$1,402,062	\$42,097,836	3,384
Project 43	2006	Feature Film	\$5,299,644	\$5,056,273	\$505,627	\$42,603,463	996
Project 44	2006	Feature Film	\$17,051,337	\$13,552,249	\$1,355,225	\$43,958,688	1,057
Project 45	2006	Feature Film	\$2,635,272	\$2,468,552	\$246,855	\$44,205,543	460
Project 46	2006	TV Pilot	\$2,672,956	\$2,641,802	\$264,180	\$44,469,723	445
Project 47	2005	Feature Film	\$2,933,093	\$2,812,666	\$281,267	\$44,750,990	355
Project 48	2005	Feature Film	\$1,563,660	\$1,200,913	\$120,091	\$44,871,081	358
Project 49	2006	Feature Film	\$1,853,025	\$1,590,872	\$159,087	\$45,030,168	393
Project 50	2006	Feature Film	\$2,203,190	\$1,846,186	\$184,619	\$45,214,787	391
Project 51	2006	Feature Film	\$5,308,778	\$5,150,301	\$515,030	\$45,729,817	914
Project 52	2007	TV Series	\$17,056,299	\$15,707,627	\$1,570,763	\$47,300,580	863
Project 53	2005	Feature Film	\$12,421,478	\$11,918,993	\$1,191,899	\$48,492,479	581
Project 54	2006	Feature Film	\$16,785,411	\$14,720,453	\$1,472,045	\$49,964,524	791
Project 55	2005	Feature Film	\$663,769	\$660,860	\$66,086	\$50,030,610	0
TOTAL			\$563,608,752	\$500,306,151	\$50,030,610	\$50,030,610	58,273

Table 2: List of Credit-Approved Projects and Shooting Days

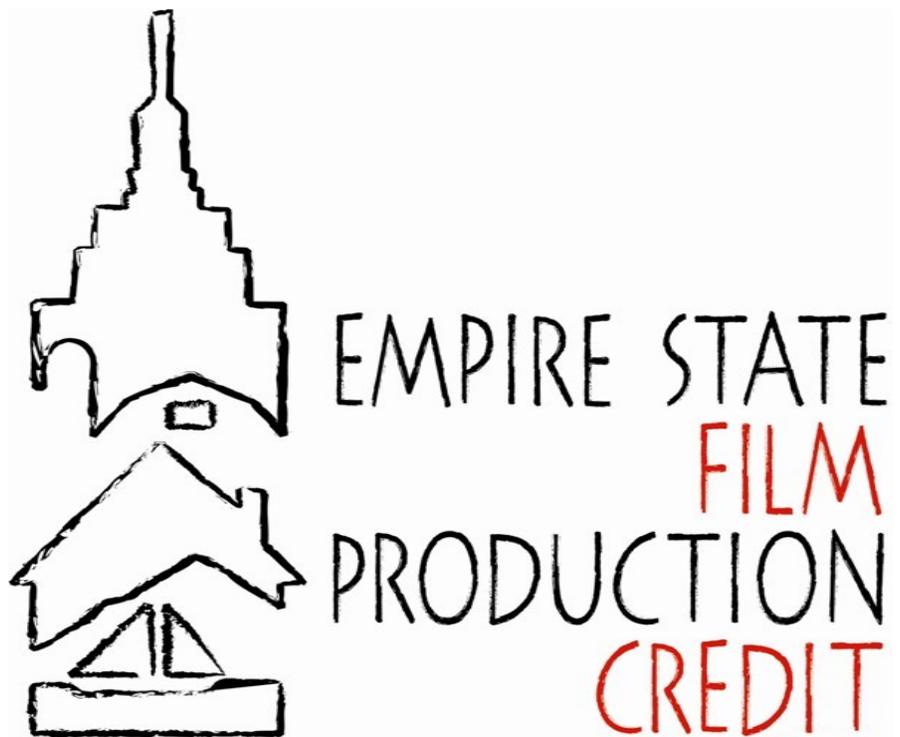
Project	Project Type	SHOOTING DAYS										
		Stage				Location					Total Shoot Days	
		Stage Days NYC	Stage Days NYS	Stage Days Outside NYS	Total Stage Days	Location Days NYC	Location Days NYS	Location Days NYC & NYS	Location Days Outside NYS	Total Location Days		
Project 1	Feature Film	-	1	-	1	1	1	25	26	9	34	35
Project 2	TV Series	47	-	-	47	3	-	3	-	3	3	50
Project 3	TV Series	75	-	1	76	32	-	32	-	32	108	
Project 4	TV Series	8	-	-	8	16	-	16	-	16	24	
Project 5	Feature Film	-	1	-	1	25	-	25	3	28	29	
Project 6	TV Pilot	1	-	-	1	14	-	14	-	14	15	
Project 7	TV Pilot	1	-	-	1	11	1	12	-	12	13	
Project 8	TV Pilot	1	-	-	1	14	-	14	-	14	15	
Project 9	TV Pilot	1	-	-	1	8	-	8	-	8	9	
Project 10	TV Series	63	-	-	63	89	-	89	2	91	154	
Project 11	Feature Film	-	6	-	6	-	36	36	-	36	42	
Project 12	TV Series	84	-	-	84	87	-	87	5	92	176	
Project 13	TV Series	90	-	-	90	92	1	93	1	94	184	
Project 14	Feature Film	1	-	-	1	25	-	25	-	25	26	
Project 15	Feature Film	43	-	-	43	17	-	17	-	17	60	
Project 16	Feature Film	4	-	-	4	34	2	36	-	36	40	
Project 17	TV Pilot	2	-	-	2	9	2	11	-	11	13	
Project 18	Feature Film	30	-	-	30	62	-	62	2	64	94	
Project 19	Feature Film	19	-	-	19	23	-	23	5	28	47	
Project 20	Feature Film	1	-	-	1	-	21	21	2	23	24	
Project 21	TV Series	32	-	-	32	61	4	65	3	68	100	
Project 22	Feature Film	-	1	-	1	33	-	33	-	33	34	
Project 23	TV Series	31	-	-	31	31	5	36	-	36	67	
Project 24	Feature Film	1	-	-	1	23	-	23	-	23	24	
Project 25	Feature Film	1	-	-	1	18	2	20	4	24	25	
Project 26	TV Pilot	2	-	-	2	8	2	10	-	10	12	
Project 27	Feature Film	15	-	-	15	30	-	30	-	30	45	
Project 28	TV Series	36	-	-	36	15	-	15	-	15	51	
Project 29	TV Pilot	9	-	-	9	10	-	10	-	10	18	
Project 30	Feature Film	1	-	-	1	14	20	34	11	45	46	
Project 31	TV Pilot	2	-	-	2	12	-	12	-	12	14	
Project 32	TV Pilot	1	-	-	1	13	-	13	-	13	14	
Project 33	TV Series	66	-	-	66	110	-	110	1	111	177	
Project 34	TV Series	91	-	-	91	116	-	116	-	116	207	
Project 35	TV Series	45	-	-	45	-	-	-	-	-	45	
Project 36	TV Pilot	2	-	-	2	13	-	13	-	13	15	
Project 37	TV Pilot	2	-	-	2	6	-	6	-	6	8	
Project 38	TV Pilot	1	-	-	1	7	-	7	1	8	9	
Project 39	TV Pilot	1	-	-	1	14	-	14	-	14	15	
Project 40	Feature Film	1	-	-	1	17	-	17	3	20	21	
Project 41	TV Pilot	1	-	-	1	13	1	14	-	14	15	
Project 42	TV Series	22	-	-	22	35	-	35	-	35	57	
Project 43	Feature Film	3	-	-	3	20	2	22	2	24	27	
Project 44	Feature Film	6	-	1	7	52	2	54	8	62	69	
Project 45	Feature Film	-	1	-	1	7	20	27	2	29	30	
Project 46	TV Pilot	4	-	-	4	7	1	7	-	7	11	
Project 47	Feature Film	2	-	-	2	12	7	19	6	25	27	
Project 48	Feature Film	1	-	-	1	19	1	20	1	21	22	
Project 49	Feature Film	1	-	-	1	24	1	25	-	25	26	
Project 50	Feature Film	1	-	-	1	24	-	24	-	24	25	
Project 51	Feature Film	1	-	-	1	15	-	15	-	15	16	
Project 52	TV Series	37	-	-	37	56	4	60	1	61	98	
Project 53	Feature Film	10	-	-	10	44	-	44	3	47	57	
Project 54	Feature Film	13	-	-	13	13	18	31	7	38	51	
Project 55	Feature Film	2	0	0	2	0	0	0	0	0	2	
TOTAL		914	10	2	926	1,453	177	1,630	82	1,712	2,638	

Totals may not add due to rounding



SO MANY REASONS TO FILM IN NEW YORK STATE

NY♥FILM



NY♥FILM

Analysis Of Impact As Predicted By Initial Applications*

Impact of the Incentive

The Empire State Film Production Credit continues to have an immediate and beneficial impact on the film and television industry in New York. During the first full year of the credit (2005), New York experienced a dramatic increase in the number of projects attracted to the State, as well as increases in economic activity in the form of jobs created and industry spending. Now in its second full year, the incentive continues to be a strong lure for productions to New York. Unions, guilds, vendors, and production companies report that record levels of employment and work have resulted from the establishment of the Empire State Film Production Credit program.

Feature films, television series, and television pilots or miniseries that qualify may claim a refundable tax credit on a large portion of the money that they spend while filming in New York. The program allows the State to issue a refundable tax credit in the amount of 10 percent of the projects' qualified costs and also allows the City to opt in and provide an additional 5 percent tax credit to projects based primarily in New York City. In order to qualify for the full State credit, projects must spend 75 percent or more of their facility budget at a qualified stage in New York, and must shoot 75 percent or more of their location days in New York.

In order to be accepted into the program, an applicant must submit an initial application projecting the economic activity of the project to be followed by a final application detailing the actual spending and economic activity. By the end of February 2007, we have received a total of 169 initial applications.

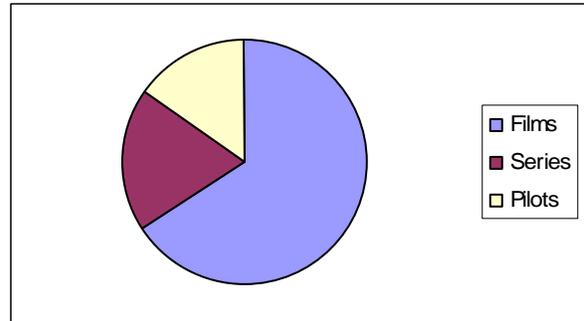
Seventy-seven projects have finished and submitted final applications. Fifty-four of the final applications have been processed and issued official certificates of credit. Ninety-two projects are still open or active for which a final application has not yet been submitted.

The data to follow are based on the information supplied in the 169 initial applications received by the Governor's Office for Motion Picture and Television Development.

*This section is authored by the Governor's Office for Motion Picture and Television Development

The 169 applications consist of:

- 111 Feature Films
- 32 Television Series
- 26 Television Pilots



Project Spending

Project spending is measured in three ways: Total Budget (i.e., all money spent on a project in or out of New York State), NY Spend (i.e., all money spent only in New York State on both qualified and non-qualified costs); and Qualified Spend (money spent in New York State on costs qualified for the credit, such as labor, materials, facilities, etc.).

The projects in the program represent:

- \$3,337,817,670 in Total Budget;
- \$2,701,413,164 in NY Spend (81% of Total Budget);
- \$1,697,955,304 in Qualified Spend (63% of total NY Spend).

\$169,795,531 of the \$410 million allocated for the program through 2011 has already been committed.

Impact On Industry Growth

The program was signed into law on August 20, 2004. Film and television productions generally require more than three months of preparatory time. As a result, no new projects were able to file an application and actually begin production in 2004. Thus the nine projects that qualified in 2004 were already slated to film in New York and cannot be said to have been attracted by the incentive.

As noted above, in order to qualify for the full State credit, projects must spend 75 percent or more of their facility budget at a qualified stage in New York and must shoot 75 percent or more of their location days in New York. In the following table, figures for 2004 include all projects that could have qualified for the credit if it had existed plus those that did. Figures for 2005 and 2006 and 2007 reflect projects that are all in the program.

Number of Projects That Could or Did Qualify Per Year

In the following table, the numbers in parenthesis represent a subset of projects in calendar year 2004 which predate the program and thus did not qualify but would have qualified had the program already existed. For example, there were 15 feature films, of which 11 predate the program. All projects that could qualify in 2005, 2006 and 2007 through February could and did apply.

NUMBER OF PROJECTS THAT COULD OR DID QUALIFY PER YEAR

	2004	2005	2006	Jan-Feb 2007	Total qualified
Film	15 (11 pre program)	42	57	8	111
Series	5	14	11	2	32
Pilot	1 (1 pre program)	7	9	10	26
Total	21 (12 pre program)	63	77	20	169

Impact on the
Distribution of
Projects
Around the
State

The film industry continues to be highly globalized and mobile. Decisions regarding where to locate projects continue to be very sensitive to budgetary pressures. Hence, the Empire State Film Production Credit continues to have a profoundly positive impact by offering a 10 percent credit from the state and an accompanying 5 percent credit from the City for projects that chose to film primarily in the City. However, it should be recognized that 10 percent alone is not enough to persuade most producers to film in New York. The additional 5 percent offered by the City is essential and drives most of the production into the five boroughs. Producers work to find locations within New York City that mimic suburban and rural locations that they would previously have found around the state.

Out of the 77 projects filming in New York in 2006, 68 shot entirely in New York City, three shot entirely in either Rochester or Buffalo, one shot entirely in Long Island, four split their shoots between New York City and the Hudson Valley or Long Island, and one split the shoot between Buffalo and New York City.

The vast majority of producers are not willing to forgo the additional 5 percent offered by the City. Furthermore, now that our neighbors are offering even richer programs (Connecticut for example, offers 30%), producers will be more likely to choose Connecticut over western New York or even the Hudson Valley for projects that do not call for New York City.

The evolving landscape of incentives must be monitored, but it is clear that attracting more production to upstate New York would require enriching the incentives offered in those regions. It is also of some concern that in the first quarter of this year, we have experienced a noticeable fluctuation in production. Although pilot starts are up and television series starts are holding, the film starts are, for the first quarter, significantly down. This may just be a matter of timing; we will be watching closely.

For more information concerning the data provided in this publication, please contact:

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