



# Empire State Development

## COMMERCIAL PRODUCTION TAX CREDIT – ANNUAL REPORT CALENDAR YEAR 2019

### PROGRAM OVERVIEW

Empire State Development (ESD) oversees administration of the Empire State Commercial Production Tax Credit Program. The Program is designed to increase the production of commercial filming in New York State (“NYS”).

Credits of up to \$7 million per year can be allocated to encourage qualified production companies to produce commercials in NYS and help create and maintain jobs. The \$7 million per year consists of two components for companies: shooting commercials Downstate (\$4 million) and shooting Upstate (\$3 million).

An applicant can receive a credit of 20% on qualified production expenses under Downstate and 30% on qualified production expenses under the Upstate components of the Commercial Tax Credit Program.

### **Credit for Downstate (\$4 million)**

The Downstate component is based on filming or recording qualified commercials within the Metropolitan Commuter Transportation District (MCTD). The MCTD includes New York City, Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk and Westchester counties.

To qualify, more than \$500,000 in total qualified costs attributable to the production of qualified commercials within the MCTD during the calendar year must be incurred.

The amount of credit is initially calculated as 20% of qualified costs over the \$500,000 threshold. Credits are distributed on a pro rata basis among applicants for the downstate credit.

Empire State Development

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## **Credit for Upstate (\$3 million)**

The Upstate component is based on filming or recording of qualified commercials *outside* the MCTD but within NYS.

To qualify, more than \$100,000 in total qualified costs attributable to the production of qualified commercials outside the MCTD during the calendar year must be incurred.

The amount of the credit is initially calculated as 30% of qualified costs. Credits are distributed on a pro rata basis among applicants for the Upstate credit.

## **APPLICATIONS**

ESD accepts applications by April 1<sup>st</sup> each year for commercials produced the previous year. All applications received for each of the three components are reviewed for completeness and the qualified costs verified. Once the total amount of credits earned for each component of the Program has been determined, the pro rata value for each applicant is calculated and a certificate of tax credit issued.

## **PROGRAM ACTIVITY**

The credits issued to date over the life of the Program are as follows:

- 2010 - \$5.7 million in credits based on 34 applications representing 498 commercials
- 2011 - \$5.6 million in credits based on 39 applications representing 408 commercials
- 2012 - \$5.8 million in credits based on 36 applications representing 369 commercials
- 2013 - \$5.4 million in credits based on 43 applications representing 513 commercials
- 2014 - \$5.0 million in credits based on 34 applications representing 405 commercials
- 2015 - \$3.87 million in credits based on 34 applications representing 423 commercials
- 2016 - \$4.4 million in credits based on 35 applications representing 335 commercials
- 2017 - \$3.06 million in credits based on 33 applications representing 256 commercials
- 2018 - \$3.36 million in credits based on 30 applications representing 248 commercials
- 2019 - \$4.4 million in credits based on 36 applications representing 371 commercials

Beginning with tax year 2015, information is required to be disclosed about the name of the company receiving the tax credit, the amount of tax credit issued, and the credit eligible hours

and wages for each commercial production company issued credits. Chart A below shows this information for companies receiving credits for commercials produced in 2019<sup>1</sup>.

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<sup>1</sup> Chart A shows \$4,247,187 in credits issued to companies that produced commercials during calendar year 2019. The total credits issued for 2019 was \$4,395,222 which includes \$148,034 in carry-over credits from commercials produced during calendar year 2018.

**CHART A**  
**COMMERCIAL PRODUCTION TAX CREDIT PROGRAM - CREDITS ISSUED - 2019 COMMERCIALS**

<b>Name of Commercial Production Company</b>	<b>Address</b>	<b>Total Production Costs</b>	<b>Total Qualified Costs</b>	<b>Tax Credit</b>	<b>Credit Eligible Hours</b>	<b>Credit Eligible Wages</b>	<b>Project Hires</b>
Assembly Films	411 Lafayette St., 2nd Floor, New York, NY 10003	\$1,266,173	\$1,169,711	\$56,027	6,868	\$379,585	308
Biscuit Filmworks LLC	7026 Santa Monica Blvd., Los Angeles, CA 90038	\$1,639,850	\$1,460,985	\$82,867	10,770	\$582,364	240
The Bosco Media LLC	67 West St., #606 Brooklyn, NY 11222	\$1,199,395	\$1,090,170	\$46,162	9,425	\$499,842	315
Caviar LA, LLC	6320 W. Sunset Blvd., Los Angeles, CA 90028	\$2,033,383	\$1,698,829	\$107,252	12,790	\$812,695	349
Creative Blood Inc	830 Traction Ave., Unit 3F, Los Angeles, CA 90013	\$1,285,724	\$1,237,478	\$57,684	6,635	\$460,023	177
Daily Post LLC	678 Main Street, Buffalo, NY 14202	\$383,751	\$372,004	\$111,601	5,033	\$249,636	60
Division 7	823 Seward St., Los Angeles, CA 90038	\$1,436,114	\$1,300,018	\$62,576	6,008	\$440,374	212
Epoch Media Group LLC	180 Varick St., Ste. 1204, New York, NY 10014	\$861,592	\$783,672	\$26,985	5,617	\$386,833	166
Ghost Robot Inc	346 Grand Street, Brooklyn, NY 11211	\$2,023,466	\$1,703,407	\$103,579	16,795	\$825,998	369
Hog Farm Digital Inc	400 West 14th St., New York, NY 10014	\$1,393,184	\$1,081,805	\$45,508	9,019	\$441,804	363
Honor Society Films LLC	532 Broadway, 4th Floor, New York NY 10012	\$1,362,413	\$1,194,382	\$56,024	8,181	\$534,792	209
Hungry Heart Media Inc	8330 3rd Street, Los Angeles, CA 90048	\$1,148,874	\$735,380	\$221,685	5,162	\$331,959	100

**Chart A Continued**

<b>Name of Commercial Production Company</b>	<b>Address</b>	<b>Total Production Costs</b>	<b>Total Qualified Costs</b>	<b>Tax Credit</b>	<b>Credit Eligible Hours</b>	<b>Credit Eligible Wages</b>	<b>Project Hires</b>
Hungry Man Inc	106 Seventh Ave., 2nd Floor, New York, NY 10011	\$3,367,938	\$2,997,828	\$224,561	21,502	\$1,431,318	691
Iconoclast Content Inc	3532 Hayden Avenue, Culver City, CA 90232	\$1,807,627	\$1,527,273	\$87,050	10,381	\$690,132	264
KAM Productions Inc	107 West 86th St., #10G, New York, NY 10024	\$1,350,265	\$1,088,620	\$46,041	8,978	\$454,009	294
Lively Group LLC	575 Lexington Ave., 26th Floor, New York, NY 10022	\$2,099,968	\$1,767,297	\$99,744	10,122	\$530,417	230
Macguffin Films LTD	411 Lafayette Street, 2nd Floor, New York, NY 10003	\$6,704,423	\$6,445,900	\$592,662	71,351	\$4,127,831	1990
Michael Schrom & Company	100 Corporate Drive, Suite #201, Blauvelt, NY 10913	\$4,257,275	\$3,506,696	\$246,751	17,249	\$1,441,138	873
Morton Jankel Zander Inc	2201 S. Carmelina Avenue, Los Angeles, CA 90064	\$778,819	\$747,879	\$40,688	9,851	\$704,838	260
Moxie Pictures Inc	147 North San Vicente Blvd., Beverly Hills, CA 90211	\$1,140,253	\$864,435	\$29,514	6,342	\$407,338	180
New York Production Services	125 Clinton Ave., Brooklyn, NY 11205	\$887,293	\$886,793	\$55,884	4,401	\$179,820	78
Northern Lights Post Inc dba Bodega Studios	135 West 27th Street, 8th Floor, New York, NY 10001	\$1,472,635	\$1,270,044	\$69,199	10,622	\$660,051	405
O Positive LLC	48 West 25th Street, 3rd Floor, New York NY 10010	\$5,817,181	\$4,794,549	\$388,625	32,381	\$2,134,376	798

Chart A Continued							
Name of Commercial Production Company	Address	Total Production Costs	Total Qualified Costs	Tax Credit	Credit Eligible Hours	Credit Eligible Wages	Project Hires
Park Pictures LLC	184 5th Avenue, New York, NY 10010	\$4,138,745	\$3,253,066	\$226,548	30,009	\$2,028,408	787
PSYOP Media Company LLC	45 Howard St., 5th Floor, New York, NY 10013	\$3,209,921	\$2,597,589	\$183,250	41,290	\$3,260,291	205
Radical Media LLC	435 Hudson Street, New York NY 10014	\$1,796,955	\$1,511,344	\$106,293	10,400	\$688,973	377
Reset Content LLC	1616 17th Street, Santa Monica, CA 90404	\$2,285,935	\$1,698,673	\$98,772	10,201	\$654,458	280
Room Content	159 Bleecker St., New York, NY 10012	\$3,789,701	\$2,937,703	\$190,672	14,786	\$626,405	436
Seeker Production	360 Furman St., Brooklyn, NY 11201	\$1,884,109	\$1,834,409	\$104,375	11,595	\$880,126	331
Skunk Partners LLC	2143 Bay St., Los Angeles, CA 90201	\$1,184,472	\$1,059,748	\$45,801	8,221	\$553,615	188
Smuggler	823 Seward St., Los Angeles, CA 90038	\$3,404,374	\$3,009,111	\$227,549	31,029	\$2,002,082	754
Something Ideal Inc	836 Manhattan Ave., 2Floor, Brooklyn, NY 11222	\$984,844	\$743,727	\$25,600	6,063	\$403,888	227
Special Team Films Inc	63 Flushing Ave Bldg. 275, Rm. 304, Brooklyn, NY 11205	\$655,231	\$589,927	\$7,034	5,526	\$254,072	157
Station Film NY	37 Greenpoint Ave., Brooklyn, NY 11222	\$896,549	\$795,493	\$29,815	5,983	\$407,162	219
Stink Digital USA LLC	160 Van Brunt St., 3rd Fl., Brooklyn, NY 11231	\$1,220,978	\$1,100,998	\$93,896	9,021	\$486,774	207
Supply & Demand	304 Spring Street, #1W, New York, NY 10013	\$1,246,470	\$999,718	\$48,914	5,972	\$445,131	174

<b>Totals</b>		<b>\$72,415,880</b>	<b>\$61,856,661</b>	<b>\$4,247,187</b>	<b>495,579</b>	<b>\$31,398,558</b>	<b>13,273</b>
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