



Empire State Development

COMMERCIAL PRODUCTION TAX CREDIT – ANNUAL REPORT CALENDAR YEAR 2020

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.

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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 1st 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
- 2020 - \$4.1 million in credits based on 14 applications representing 163 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 2020¹.

¹ Chart A shows \$3,167,916 in credits issued to companies that produced commercials during calendar year 2020. The total credits issued for 2020 was \$4,080,224 which includes \$912,308 in carry-over credits from commercials produced during calendar year 2019.

CHART A
COMMERCIAL PRODUCTION TAX CREDIT PROGRAM - CREDITS ISSUED – 2020 COMMERCIALS

Name of Commercial Production Company	Address	Total Production Costs	Total Qualified Costs	Tax Credit	Credit Eligible Hours	Credit Eligible Wages	Project Hires
Assembly Films	411 Lafayette St 2nd Floor, New York NY 10003	\$914,888	\$779,097	\$49,225	6,495	\$382,175	154
Chelsea Pictures Inc	602 Hampton Drive, Venice, CA 90291	\$1,925,985	\$1,763,395	\$88,232	11,304	\$750,356	229
Daily Post LLC	678 Main Street, Buffalo, NY 14202	\$286,697	\$267,913	\$80,374	3,598	\$190,952	44
Hungry Man Inc	106 Seventh Ave 2nd Fl, New York NY 10011	\$4,024,516	\$3,242,835	\$309,078	18,988	\$1,349,474	604
Lively Group LLC	575 Lexington 26th Floor, New York, NY 10022	\$730,746	\$621,865	\$61,826	4,772	\$308,332	80
Macguffin Films LTD	411 Lafayette St 2nd Floor, New York, NY 10003	\$5,342,227	\$5,173,420	\$639,158	53,184	\$3,092,894	1111
Michael Schrom & Company	100 Corporate Drive, Suite # 201, Blauvelt, NY 10913	\$4,074,589	\$3,409,818	\$332,458	21,362	\$1,404,023	865
Morton Jankel Zander Inc	2201 S. Carmelina Ave, Los Angeles CA 90064	\$3,275,351	\$3,115,179	\$201,780	21,081	\$1,621,048	334
O Positive LLC	48 West 25th Str 3rd Floor New York NY 10010	\$5,375,831	\$4,748,681	\$500,612	26,600	\$1,796,283	517
Park Pictures LLC	184 5th Avenue, New York NY 10010	\$1,065,670	\$976,997	\$154,204	7,029	\$511,687	210
Partizan Entertainment	1545 Wilcox Ave, #200, Los Angeles, CA 90028	\$2,422,174	\$2,080,650	\$109,114	12,748	\$948,712	164
Pomp & Clout	119 Ingraham St #409, Brooklyn, NY 11237	\$1,456,963	\$1,066,862	\$39,012	8,255	\$511,910	175
Room Content	159 Bleecker St, New York NY 10012	\$2,616,501	\$2,078,737	\$210,806	11,327	\$676,999	273
Smuggler	823 Seward Str Los Angeles CA 90038	\$5,214,037	\$4,424,966	\$392,035	31,635	\$2,233,016	825
Totals		\$38,726,175	\$33,750,415	\$3,167,916	238,378	\$15,777,861	5,585