



Empire State Development

MUSIC AND THEATRICAL TAX CREDIT – ANNUAL REPORT CALENDAR YEARS 2015 AND 2016

Empire State Development (ESD) oversees administration of the Empire State Musical and Theatrical Tax Credit Program.

The Program is designed to encourage music and theatrical production companies to conduct pre-tour activities, technical rehearsals and to perform shows at locations in Upstate New York, home to some of the premier regional venues for musical and theatrical production.

The Program provides incentives for qualified production companies to conduct technical rehearsals and other pre-tour activities and perform shows in qualified regional theaters throughout Upstate NY. The Program encourages the use of these Upstate entertainment venues, making them competitive with other venues located in the Northeast States that offer similar tax incentives to musical and theatrical productions produced on Broadway.

Program credits of \$4 million per year can be allocated and used to encourage companies to perform and conduct technical rehearsals and other pre-tour activities in Upstate New York, to help stimulate the Upstate economy. Production companies may be eligible to receive a fully refundable credit of 25 percent of qualified production and transportation expenditures.

This report reflects activity during calendar years 2015 and 2016. The information presented includes the number of productions that applied and projected spending and estimated credits for qualified production projects deemed eligible to participate in the Program.

During this reporting period, no projects have yet been completed that have also been audited and issued credits. Therefore, there is no information provided on actual spending, hires and credits issued.

INITIAL APPLICATIONS

ESD accepts initial applications on a rolling basis and reviews them when deemed complete. A preliminary eligibility determination is made for all applications that meet the criteria set forth in statute and regulations and applicants are invited to submit a final application once projects are finished. This report reflects new applications submitted since January 1, 2015 when the Program officially commenced.

During calendar year 2015, initial applications for three musical and theatrical productions were submitted. These projects estimate:

- \$2.3MM in production expenditures related to the qualified production facilities, including labor
- \$939,284 in additional expenditures in NYS, including transportation, travel and hotels
- 248 hires by the qualified touring production
- 153 hires by the qualified production facility
- \$823,356 in tax credits

During calendar year 2016 to date, initial applications for six musical and theatrical productions were submitted. These projects estimate:

- \$13.9MM in production expenditures related to the qualified production facilities, including labor
- \$1.4MM in additional expenditures in NYS, including transportation, travel and hotels
- 430 hires by the qualified touring production
- 321 hires by the qualified production facility
- \$3,840,527 in tax credits

FINAL APPLICATIONS

When a project is completed, a final application must be submitted for review and audit by ESD before a credit is issued. Additional 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 project issued a credit. No final applications were received in 2015. During calendar year 2016, two final applications were received but the audits have not yet been completed by ESD.