

# Presentation to Economic Development and Policy Committee New Mexico Film Office

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# Overview of Film Tax Credit

For direct production and direct postproduction expenditures made in New Mexico that are subject to taxation by the state of New Mexico and directly attributable to the production of a film or commercial audiovisual product.

- **25-35% Refundable Tax Credit**

- 5% uplifts
  - Television series
  - Qualified production facilities
  - Rural filming
- Eligible expenses
  - NM resident cast and crew
  - Purchases made from NM vendors
- Actual credit averages 18%

- **Film Partners**

- A film production company that has made a commitment to produce films or commercial audiovisual products in New Mexico and has purchased or executed a ten-year contract to lease a qualified production facility.

# Production Spend in New Mexico by Fiscal Year



# Notable Productions Made in NM



- *Stranger Things S4*
- *Better Call Saul*
- *News of the World*
- *Dark Winds*
- *Outer Range*
- *Oppenheimer*



# Production Spend in NM



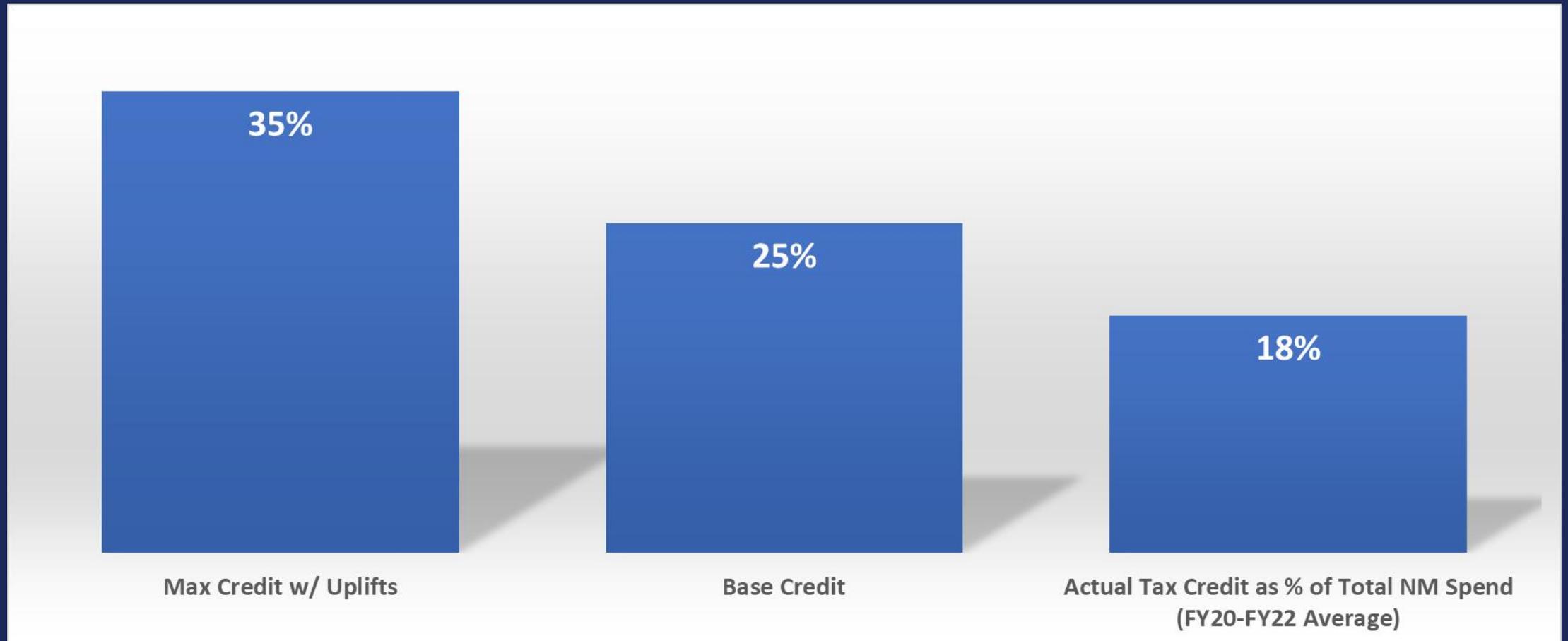
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# Actual Tax Credit as a Percentage of Total NM Spend



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# Rural New Mexico Production Spend



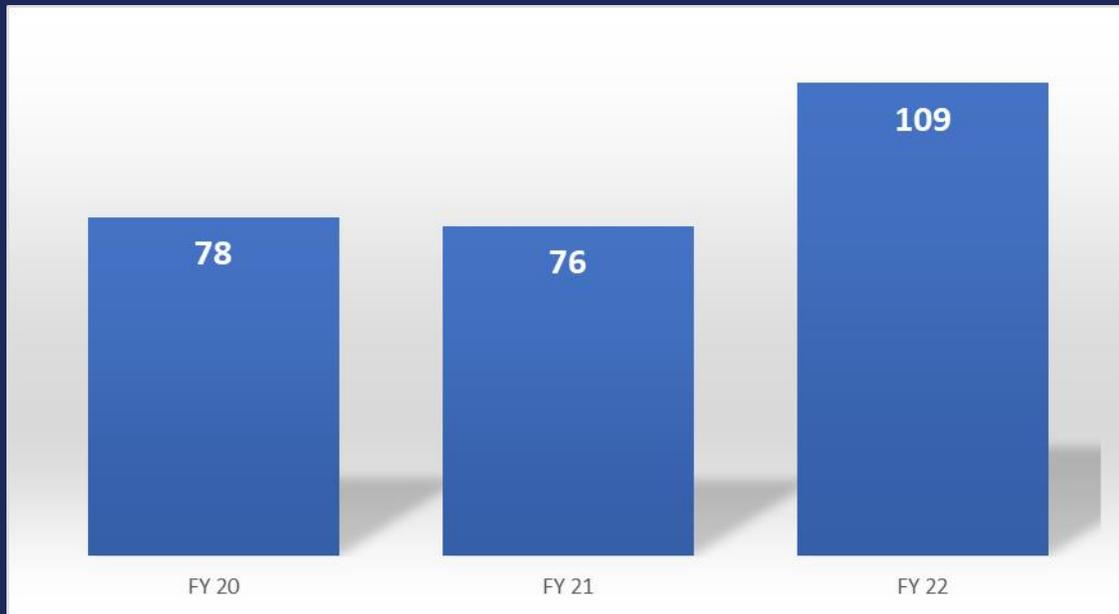
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# Production Averages



## Number of Productions



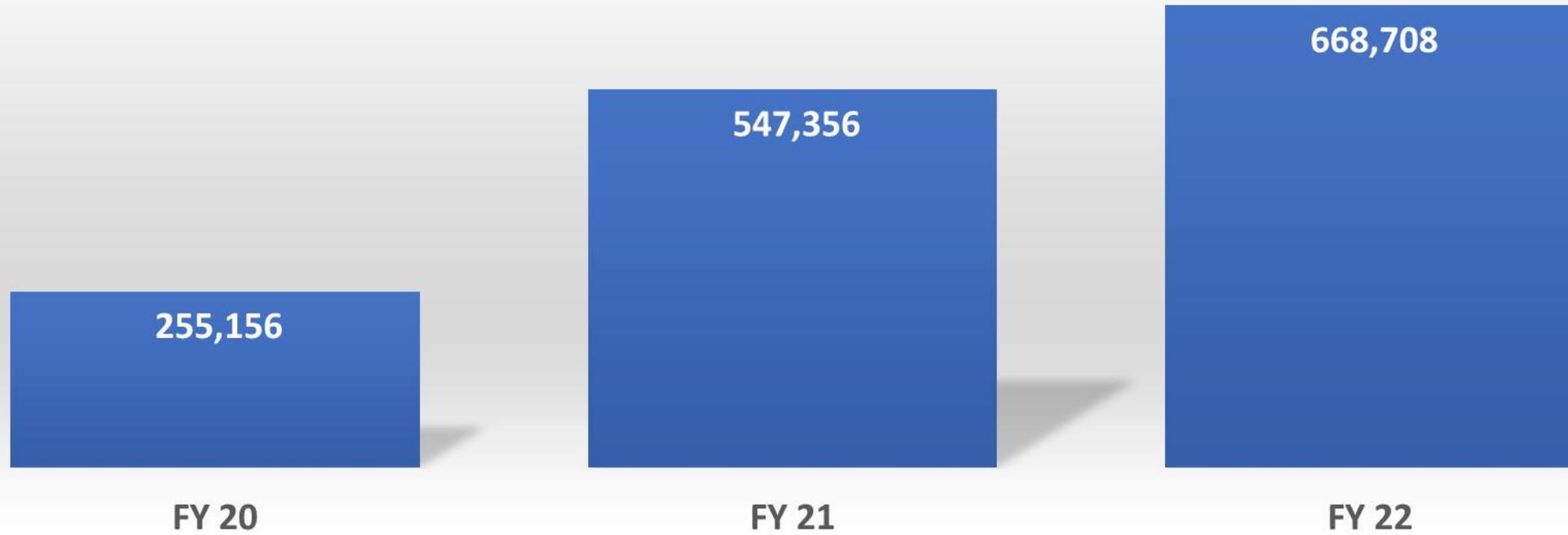
## Average Total Budget by Fiscal Year



# Worker Days



Estimated NM Worker Days



# Median Wage of Full Time Resident Crew



*Median Wage  
in NM  
(All Industries)*

*NM Minimum  
Wage*

# NM Spend Breakout - NBC Universal "Briarpatch" Pilot



- Briarpatch Pilot
  - NM Budget: \$5.2 million
  - NM Vendors: \$2.4 million (46%)
  - NM Resident Hires: \$2.1 million (42%)

<u>NM VENDOR SPEND CATEGORIES</u>	<u>Briarpatch Pilot</u>
FILM EQUIPMENT RENTALS	\$0.12M
LOCATION DEPT.	\$0.43M
FOOD	\$0.07M
ROLLING EQUIPMENT	\$0.28M
CONSTRUCTION	\$0.09M
SET DRESSING	\$0.17M
LODGING/ACCOMODATIONS	\$0.20M
WARDROBE	\$0.02M
SPFX/PROPS	\$0.03M
TRAVEL	\$0.06M
FUEL/GASOLINE	\$0.03M
OFFICE SUPPLIES/FURNITURE & OFFICE EQUIPMENT RENTALS	\$0.10M
OTHER	\$0.79M
<b>TOTAL</b>	<b>\$2.40M</b>

# Training for New Mexico Residents



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- Below the Line Training:
  - Production Assistant
  - Production Accounting
  - Payroll Accounting
  - Background Performance
  - Set Lighting
- Above the Line Training:
  - NBCU Director Shadowing Program
  - Screenwriter Training
- Number of New Mexican residents participating in programs  
2020 – 2022 = 1,913

# Workforce Development Film Crew Advancement Program



- FCAP began in 2004 as a part of JTIP. Since it started:
  - 3,140 positions have gone through the program
  - Over 335 production companies have participated
- Supports career advancement for New Mexico residents growing our crew base
- Operation Soundstage – For New Mexico Veterans

# New Mexico Resident Success Story



## Adam Weber

- Lives in Golondrinas, NM (Mora County) where his family has lived since 1840.
- Married with 4 children
- Working on a construction project, when he met a crew member from *Briarpatch* filming in Las Vegas
  - Left to begin working in the Construction Department on Briarpatch because of the higher pay with benefits and retirement.
- Through FCAP program was mentored on each production and is now a Foreman in the Construction Department
  - Not as many opportunities for growth where he's from
  - "It's a definite self-esteem boost and encouraging" to be given so many opportunities for advancement in his career
- Annual salary has tripled
- Able to provide health insurance for his wife and children
- His wife, Jessica, has also left her job to work in the film industry because of the higher pay and better benefits



# Next Generation Media Academy

- \$40M from Legislature to establish the epicenter for film/TV/digital media training and job competencies
- Partnership between NMEDD, Film Office, Higher Education Dept, IATSE and Film Partners
  - 15 NM post-secondary film and media programs are in collaboration
- Certificate program fast-tracks people into high-paying, in-demand jobs
- 3 Modules – Production 101, specialized craft training, paid apprenticeship
- World-class facilities and instructional environments
- Hub in Albuquerque, satellite campus in Las Cruces (bilingual crew training program, teach the teachers)
- RFP for an Executive Director forthcoming

# Legislative Session 2023 – Film Bill



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- Optimize the Film Bill to Further Benefit New Mexico
  - Re-Define the Rural Zone
  - Foster growth and expansion of New Mexico Businesses
  - Continue to cultivate the workforce of NM residents
  - Evaluating potential future financial commitments

# Competitive Markets in U.S



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## Competitive Markets

- **California**
  - Cap: \$330 Million
  - Incentive: up to 35%
- **New York**
  - Cap: \$420 Million
  - Incentive: up to 35%
- **Georgia**
  - Cap: Uncapped
  - Incentive: up to 30%
- **Louisiana**
  - Cap: \$150 Million
  - Incentive: up to 40%
- **Illinois**
  - Cap: Uncapped
  - Incentive: up to 45%

## Burgeoning Markets

- **Arizona (recently passed)**
  - Cap: \$125 Million
  - Incentive: up to 22.5%
- **Oklahoma**
  - Cap: \$30 Million
  - Incentive: up to 38%
- **New Jersey**
  - Cap: \$100 Million
  - Incentive: up to 37%

# How Can Communities Be Involved



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- Website - NMFILM.COM
  - Connect with local film liaisons
  - NM Businesses list in Industry Directory
  - NM Residents list in Industry Directory
  - List locations, properties in Location Database
  - Become a Film Vendor
  - Info about the incentive, economic impact of film industry
  - Press, Bulletin Board, Resources
- Social Media
  - [Instagram.com/Nmfilloffice](https://www.instagram.com/Nmfilloffice)
  - [Twitter.com/Nmfilloffice](https://twitter.com/Nmfilloffice)
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