

# New Mexico's Film Incentive and Industry

Presented to the Economic and Rural Development and Policy Committee

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# New Mexico Film Office



- Division of Economic Development Department
- Grow the film, television and digital media industry of New Mexico
- Create jobs for New Mexicans
- Manage film incentive program
- Market New Mexico as premier content creation hub
- Manage workforce development programs
- Staff of 7

# Overview of Film Tax Credit

- **25% Refundable Tax Credit**
  - 5% for qualifying television series or qualified production facilities
  - 10% for production in Uplift Zone
- **Eligible Expenses**
  - NM resident cast and crew
  - Purchases made from NM businesses
  - Subject to taxation by the state of New Mexico and directly attributable to the production of a film or commercial audiovisual products.
- Base Credit is 25%
- Average Credit Issued = 19%

# Overview of Film Tax Credit

## ■ New Mexico 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. Current Partners include Netflix, NBC Universal, and 828 Productions

- Netflix – 2019, 2022 - commitment to spend \$2 billion.
- NBCUniversal - 2021 - commitment to \$500 million.
- 828 Productions – 2022 – commitment to spend \$75 million.

**828**

**PRODUCTIONS**

**NETFLIX**

**NBCUniversal**

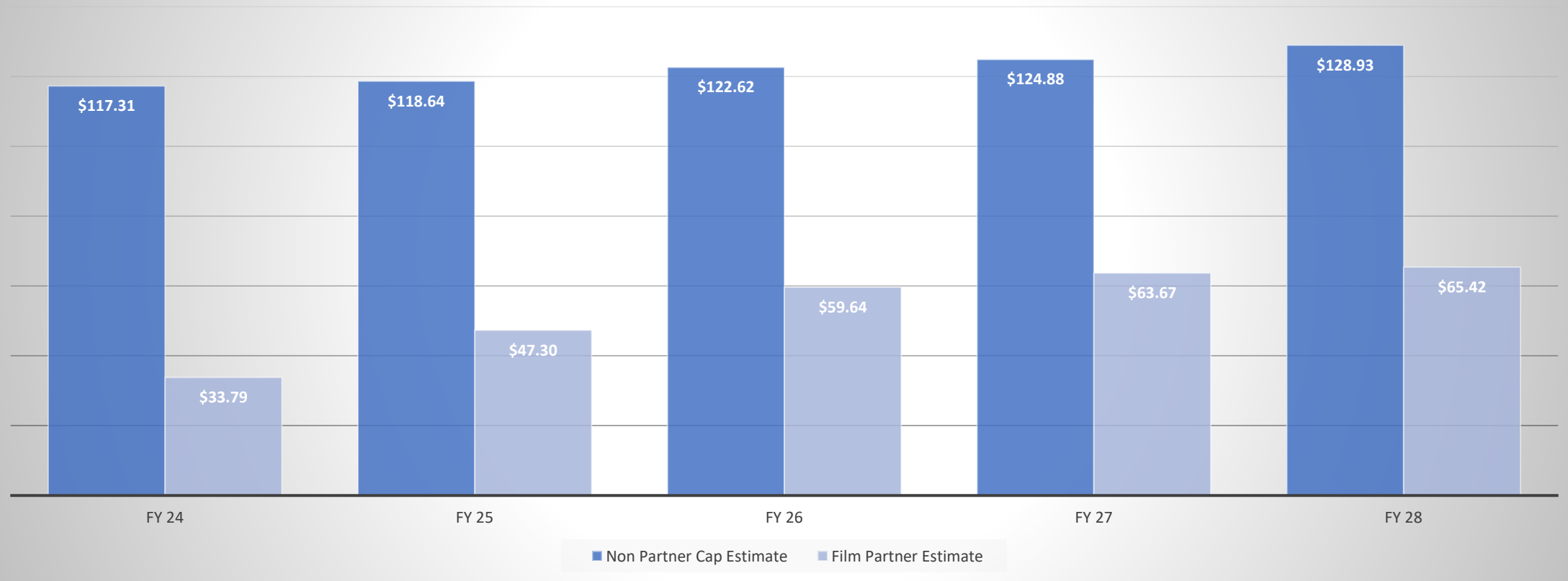
# Overview of Film Tax Credit

- Tax Credit Payout Cap = \$120M in FY24
  - +10M each year through FY28, remains at \$160M
- Resident principal performers exempt from \$5 million cap per production
- Restricts NRCE to 15%
- NM Film Partners – ATL, carve out

# Estimated Future Tax Credit Payouts FY24-FY28 (in millions)



Estimated Future Tax Credit Payouts FY24-FY28 (in millions)



# Average % Tax Credit Issued



Actual Tax Credit as % of Total NM Spend



Base Credit

Actual Tax Credit as a percentage of Total NM Spend  
(FY20-FY23 Average)

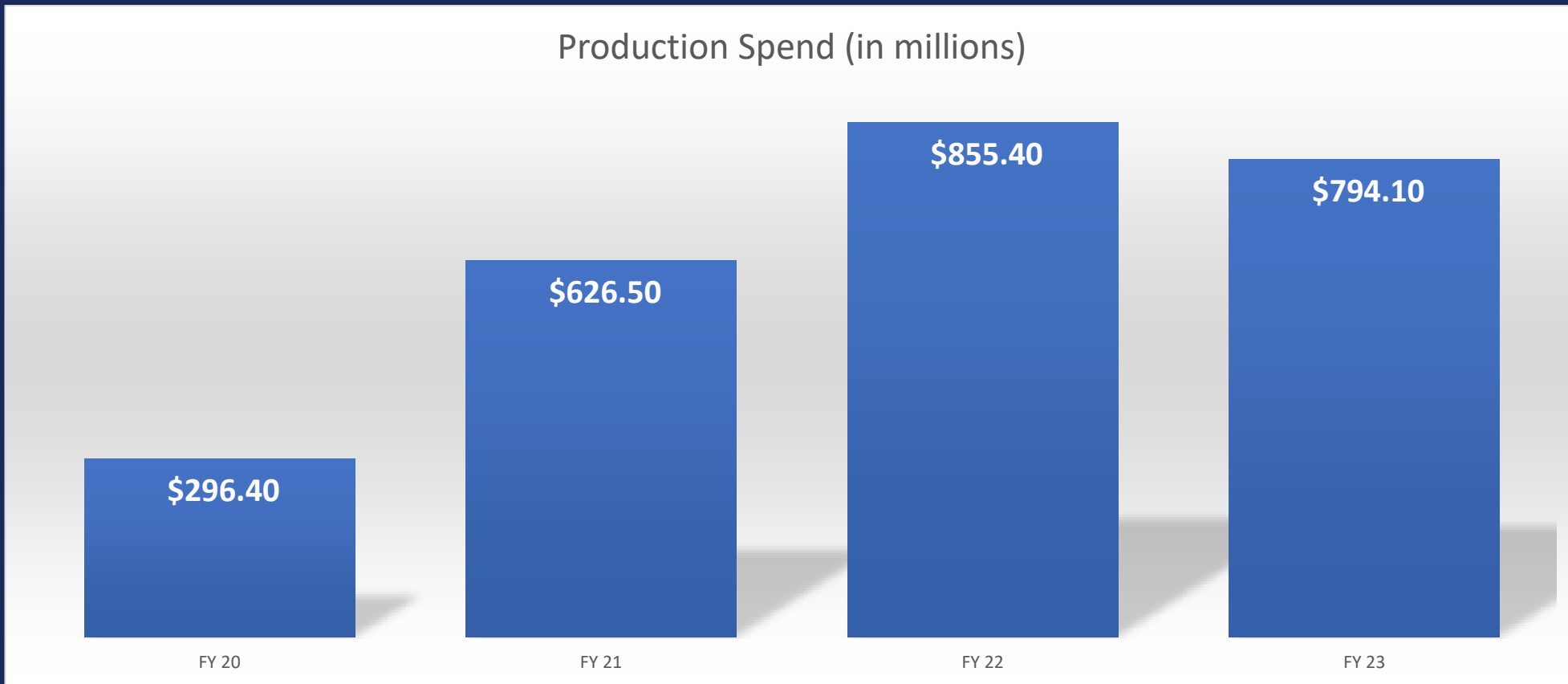
# Recent Productions Made in NM

- Netflix's "Stranger Things" S4 and "Rez Ball"
- AMC's "Better Call Saul" and "Dark Winds"
- Amazon's "Outer Range" S1 and S2
- Universal Pictures "Oppenheimer"
- Fox's "The Cleaning Lady" S1 and S2





# Production Spend in NM



# Production Spend in New Mexico by Fiscal Year



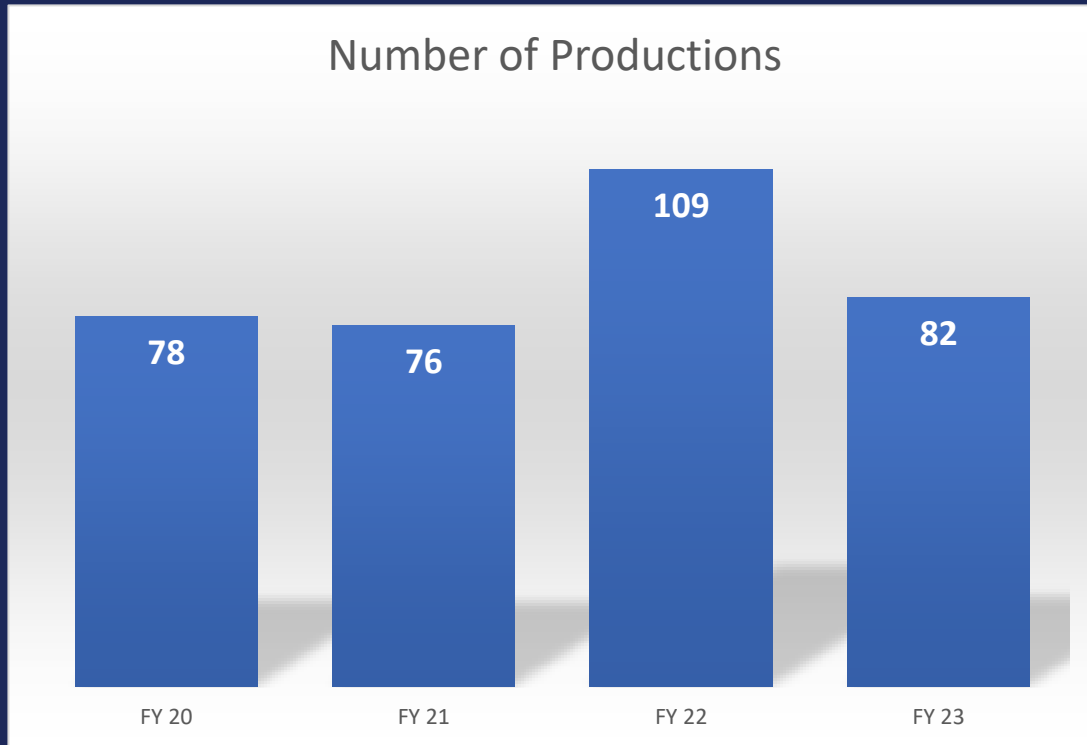
Production Spend (in millions)



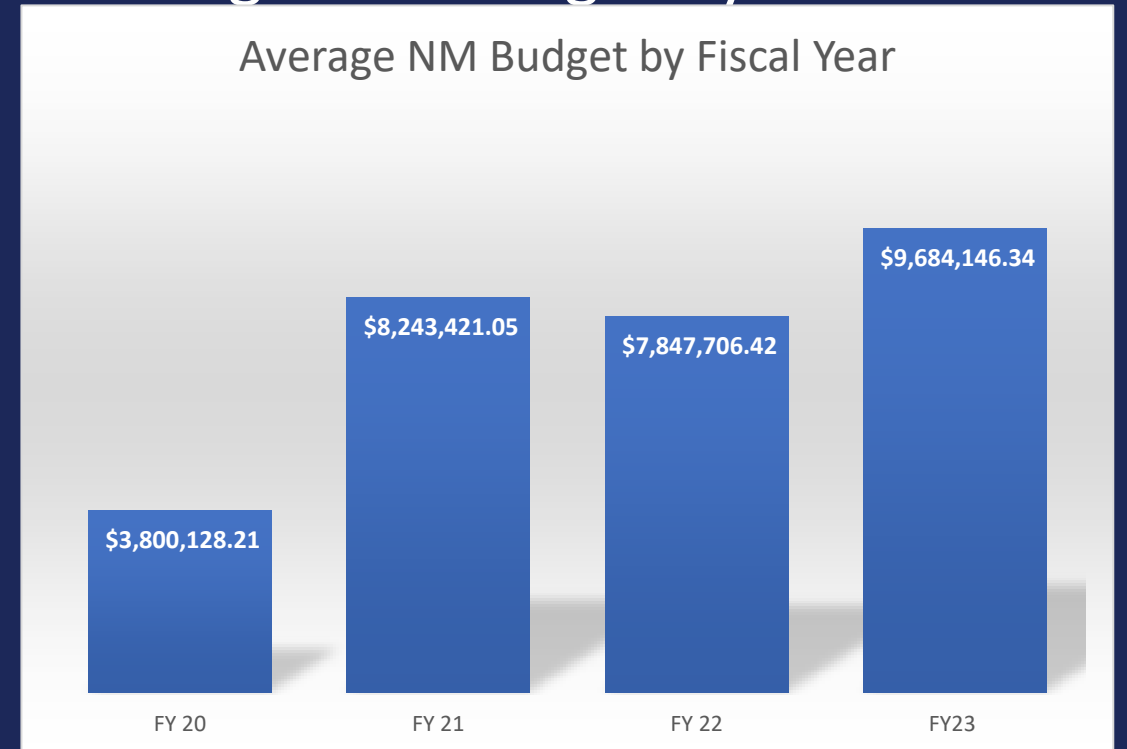
# Production Activity and Budget



## Number of Productions



## Average NM Budget by Fiscal Year

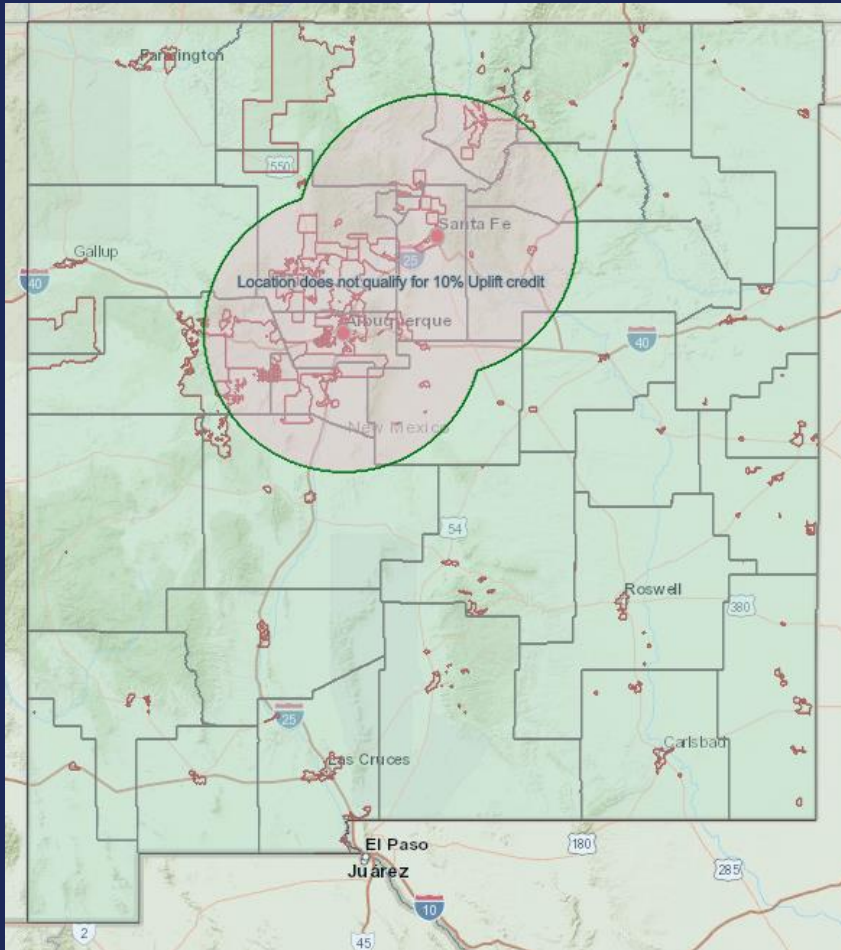


# Production Outside ABQ and SF



<b>County</b>	<b>Notable Productions</b>
Chaves	Baron and Toluca, Lonesome Soldier
Colfax	Peace River
Dona Ana	Knight, The Locksmith, Wanted Man, The Informant
Eddy	Wild West
Grant	Talwag NM Tourism
Lincoln	Best Man, 13 Fanboy
McKinley	Dark Winds, Silt, Belly Encounter
Otero	Chalk Hill, Infraction
Quay	Next Exit
Rio Arriba	Sojourn
San Juan	Canyon Del Muerto
San Miguel	Land of Dreams
Sandoval	Carousel
Sierra	The Warm Season, Cop/Killer
Socorro	The Explosion Show
Taos	Successful Outlaw
Valencia	Day at the Armory
Luna	Creed 2
Torrance	Messiah
Los Alamos	The Brave Season 1

# Uplift Zone

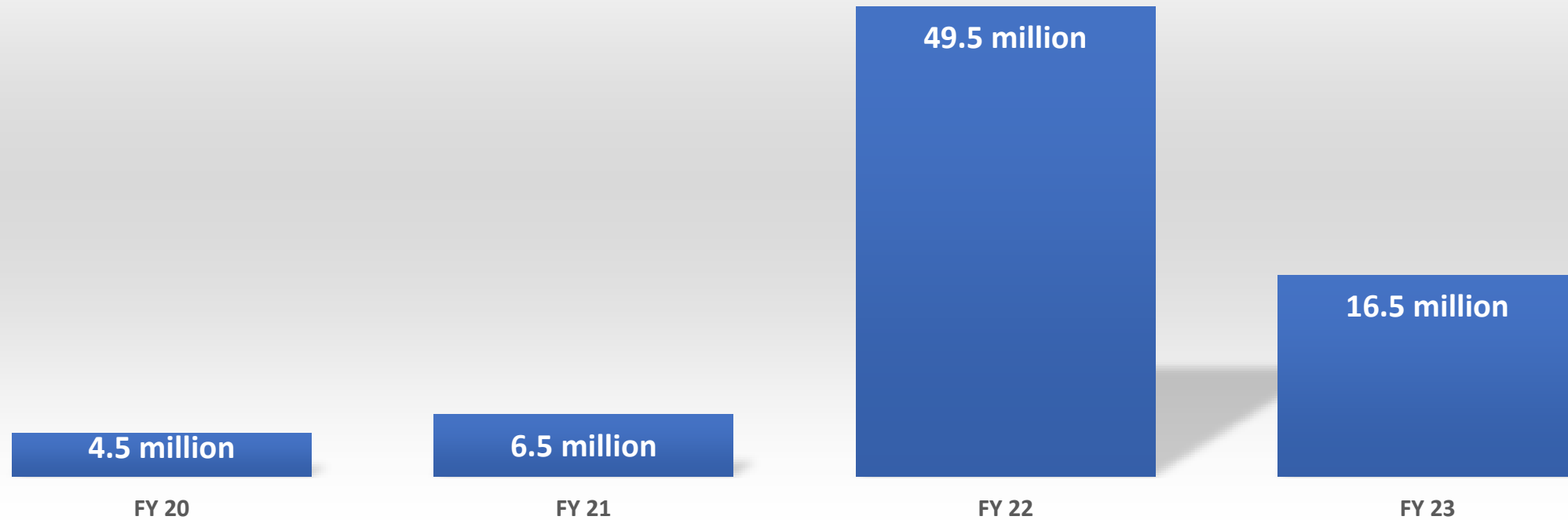


- Now 60 miles from city halls of Albuquerque and Santa Fe
- More inclusive of rural areas
- Includes all or part of San Juan, Rio Arriba, Taos, Colfax, Union, McKinley, Sandoval, Mora, Harding, San Miguel, Quay, Cibola, Torrance, Guadalupe, Curry, Catron, Socorro, Lincoln, De Baca, Roosevelt, Chaves, Grant, Sierra, Hildago, Luna, Doña Ana, Otero, Eddy, and Lea Counties

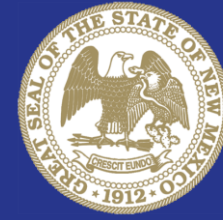
# New Mexico Production Spend In Uplift Zone



New Mexico Production Spend Outside of ABQ and Santa Fe (in millions)



# Production - Tribal Lands and Pueblos



**EDD**  
ECONOMIC DEVELOPMENT DEPARTMENT

Zia Pueblo

Ohkay Owingeh

Santa Clara Pueblo

Santa Ana Pueblo

Taos Pueblo

San Felipe Pueblo

Santo Domingo Pueblo

Nambe Pueblo

Kewa Pueblo

Mescalero Apache Reservation

Tesuque Pueblo

Tohajiilee

Sandia Pueblo



# Native and Indigenous Content Creation



## New Mexico is a hub for Native and Indigenous content creation

“The crew from New Mexico knows a lot about the culture. It's respected and adhered to. For writers and directors, you can count on New Mexico to be that.” – Ryan Begay, Actor





# Production in Uplift Zone

- Direct production spend outside of Abq and Santa Fe increased by **150%** from FY 21 – FY23.
- Highlights:
  - "Outer Range" Seasons 1 & 2 (Amazon Studios)
  - "Ghosted" (Apple TV)
  - "Chupa" (Netflix)
  - "Oppenheimer" (NBCUniversal)
- Over \$100M spent in uplift zone over past 5 years.



Ana De Armas in AppleTV+'s "Ghosted"

# Production in Uplift Zone



- Spotlight on Doña Ana County
  - “Hot Seat” starring Mel Gibson
  - “The Locksmith” starring Ryan Phillippe and Kate Bosworth
  - “The Confidential Informant” starring Mel Gibson and Kate Bosworth
  - “The Price We Pay” starring Emile Hirsch and Stephen Dorff
  - “Wanted Man” starring Dolph Lundgren and Kelsey Grammer
  - “Bad Hombres” starring Luke Hemsworth
  - “Dig” starring Thomas Jane
  - “Squealer” starring Tyrese Gibson
- Moviemaker Magazine named Las Cruces one of the top places to live and work as a moviemaker in 2023!



# Visibility for NM around the world “Netflix in New Mexico”



**EDD**  
ECONOMIC DEVELOPMENT DEPARTMENT



**DID YOU KNOW?**

Globally, those that watch local content on Netflix are 2.4x more likely to say it's their #1 travel destination.

[Learn more about how content from New Mexico inspires tourism.](#)

**We've filmed in LOS LUNAS & there's still more to explore.**

These films and series share one thing in common – New Mexico plays a starring role! Check out the titles below to discover filming locations across the state, and follow in the footsteps of some of your favorite characters to see what your neighborhood (and beyond!) has to offer.

BEAK

NETFLIX IN NEW MEXICO

**STRANGER THINGS**

FILMING LOCATIONS ABOUT THE SERIES

**END OF THE ROAD**

**THE HARDER THEY F**

Film  
New  
Mexico



Everyone has a role.



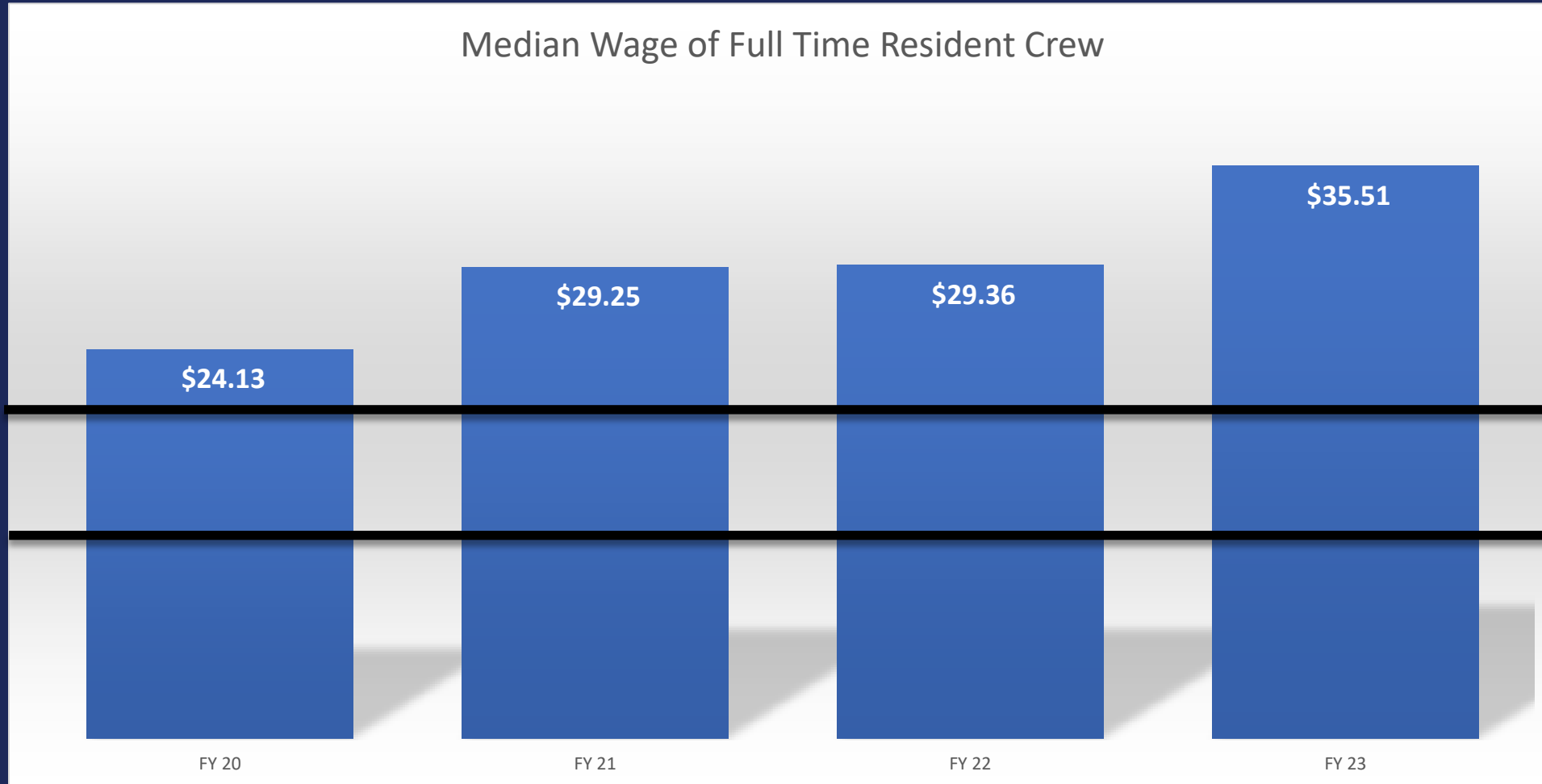
# *New Mexico Film Workforce*



# New Mexico Film Workforce

- *Estimated 8,000 jobs -- and growing*
- *Film workers include union, guild members as well as non-union*
  - *IATSE Local 480 = 2,000 members, plus 800 people on “overflow”*
  - *Thousands more - Teamsters 399, International Cinematographers Guild 600, SAG-Aftra, Art Directors Guild, DGA, PGA, Editors union, non-union workers, background*

# Median Wage of Full Time Resident Crew



*Median Wage in NM (All Industries)*  
**\$19.19**

*NM Minimum Wage*  
**\$12.00**

# New Mexico Crew Member Success Story – Adam Weber



- Lives in Golondrinas, NM (Mora County) where his family has lived since 1840.
- Working on a construction project, when he met a crew member from *Briarpatch* filming in Las Vegas
  - Began 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
  - "It's a definite self-esteem boost and encouraging" to be given so many opportunities for advancement in his career
- Annual salary has tripled
- His wife, Jessica, has also left her job to work in the film industry





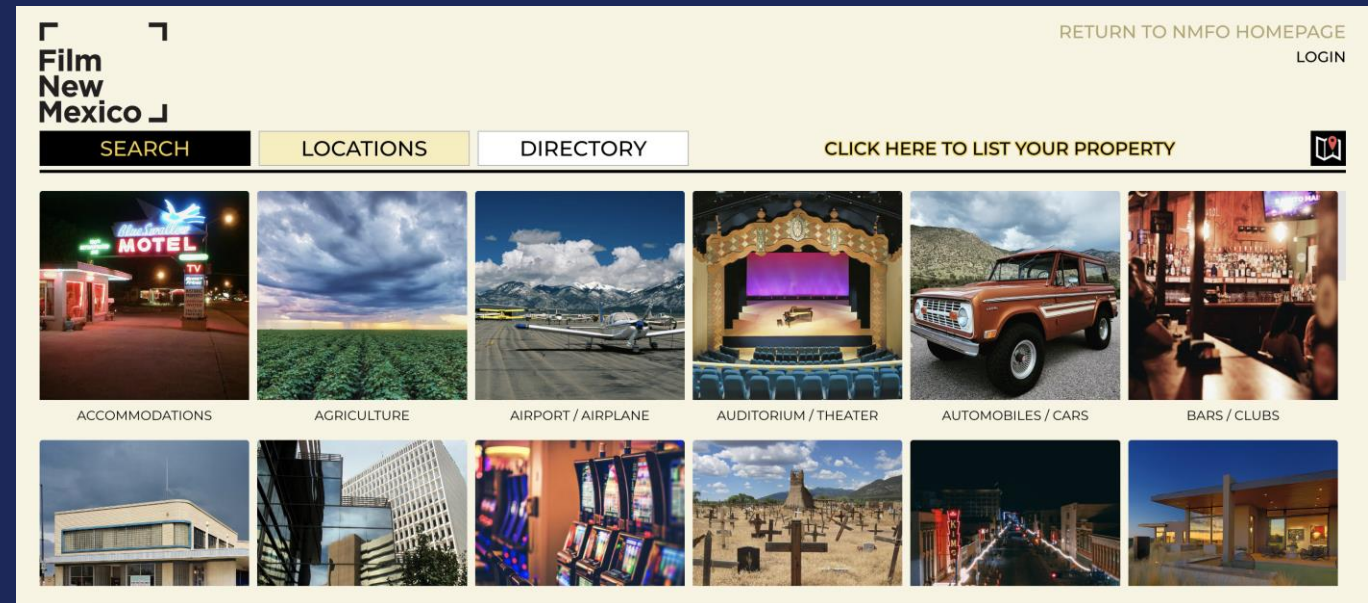
# *Revenue for New Mexico Residents and Businesses*



# Revenue for New Mexico Residents and Businesses

- *Thousands of local businesses working with the film industry*

- *Lumber yards*
- *Art galleries*
- *Restaurants*
- *Hotels*
- *Dry Cleaners*
- *Traffic control*
- *Security services*
- *Heavy equipment rentals*
- *Retail*



- *Thousands of locations and properties needed by the industry*

- *Industry Directory on [www.NMFILM.com](http://www.NMFILM.com)*



# Meet Allan Affeldt, Business Owner

- *Owns The Castañeda and The Plaza Hotels in Las Vegas, NM*

"When COVID hit we worked closely with the tourism office, the film office, and the city's film liaison because the most important thing to many businesses in the community is filming...*Outer Range* needed one of the hotels entirely for several months. Many businesses were shut down with no opportunity for income, which would have been us, instead, we had a wonderful season.

"The New Mexico Film tax credit has been enormously important in bringing a lot of jobs to small communities and we believe that as program continues, we will continue to grow job opportunities, not just for hotels and restaurants, but they are hiring hundreds of people in small communities. And it's an exciting job.

"The net benefit to communities like Las Vegas is enormous."



**Film  
New  
Mexico**

Everyone has a role.

Allan Affeldt, Entrepreneur  
Las Vegas, NM

**Film  
New  
Mexico**

Everyone has a role.



# Soundstage Infrastructure + Movie Ranches

- *21 qualified production facilities around the state*
- *8 added in the last year in Las Cruces, Stanley, Albuquerque and Santa Fe.*
- *Qualifications for soundstage – 7K square feet, 18' ceiling height*
- *Movie ranches – 50 acres with at least 5 exterior structures*
- *Always in need of more facilities statewide*





# Workforce Development

# New Mexico Media Academy



- Film/TV on-set training fast tracks New Mexicans into in-demand and high-paying jobs
- Partnership between NMEDD, HED, IATSE and Film Partners
  - All 15 NM post-secondary film and media programs are in collaboration
- Below the Line and Above the Line career development
  - Focus on Native/Indigenous talent and content
- World-class facilities and instructional environments in Albuquerque and Las Cruces
- Executive Director came online this past April – Producer, Filmmaker, Entrepreneur, Chad Burris (Chickasaw).



# Workforce Development



- Above and Below the Line Training for New Mexico Residents:
  - Production Assistant
  - Production Accounting
  - Payroll Accounting
  - Background Performance
  - Set Lighting
  - Horse Wrangling – coming soon
  - Director Shadowing Program
  - Screenwriting Incubator

# Workforce Development



- Film Crew Advancement Program (FCAP)
  - Growing our crew base with on-the-job training
  - 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
  - Program supports career advancement for New Mexico residents
  - Operation Soundstage – For New Mexico Veterans

# Competitive Markets in U.S



## Competitive Markets

- **California**
  - Cap: \$330 Million
  - Incentive: up to 35%
- **New York** (recently increased)
  - Cap: \$700 Million
  - Incentive: up to 40%
- **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%
- **Texas** (Recently increased)
  - Cap: \$200 Million (every 2 years)
  - Incentive: Up to 22.5%



# International Competitive Markets



## ■ Competitive Markets

- Ontario: Up to 45%
- British Columbia: Up to 45%
- United Kingdom: Up to 25%
- Australia: Up to 40%

## ■ Burgeoning Markets

- New Zealand: Up to 25%
- Iceland: Up to 35%
- Austria: Up to 35% (\*with potentially an additional 25% if spend comes from abroad)
- Finland: Up to 40%
- Croatia: Up to 30%

# New Mexico's Film/TV Ecosystem



- Competitive Film Incentive
- World class workforce and talent
- Education/Training/Workforce Development
- Locations and Landscapes statewide
- Businesses
- Soundstage infrastructure
- Proximity to Los Angeles
- Weather, lifestyle, film-friendly communities

Everyone has a role.

# Fueling Involvement Statewide



## ■ Statewide Film Liaisons

- Representing counties, cities, towns, tribal lands
  - Navajo Nation, Alamogordo, Los Alamos, Las Vegas, T or C, Las Cruces, Farmington, etc.
- Approx 56 film liaisons statewide
- Assist with production needs in local areas, provide photos for locations database, permitting



## Meet Jan Wafful - Film liaison for Otero County since 2006.

“Film has a profound effect on our communities outside of Santa Fe and ABQ. It provides another revenue stream for established and new businesses in our outlying communities. It allows rural film locations and attractions added revenue and interest to be a part of this creative and innovative industry, in a way that perhaps property owners and attractions had not thought of before.”

# Fueling Involvement Statewide



Everyone has a role.

- NM Businesses = Industry Directory
- NM Residents = Industry Directory
- Property Owners = Locations Database (list for a filming location, or production space)
- Do you have a potential Qualified Production Facility in your area?
- Appoint a Film Liaison
- Become a Film Vendor
- Enroll in a free training or workshop
- Sign up for our email newsletter
- Social Media
  - [Instagram.com/nmfilloffice](https://www.instagram.com/nmfilloffice)
  - [Twitter.com/nmfilloffice](https://twitter.com/nmfilloffice)
  - [Facebook.com/nmfilloffice](https://www.facebook.com/nmfilloffice)
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