

New Mexico's Film Incentive and Industry

Presented to the Revenue Stabilization and Tax 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
- Recruit productions and businesses
- Create jobs for New Mexicans
- Manage film incentive program
- Market New Mexico as premier content creation hub
- Oversee and manage workforce development programs

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

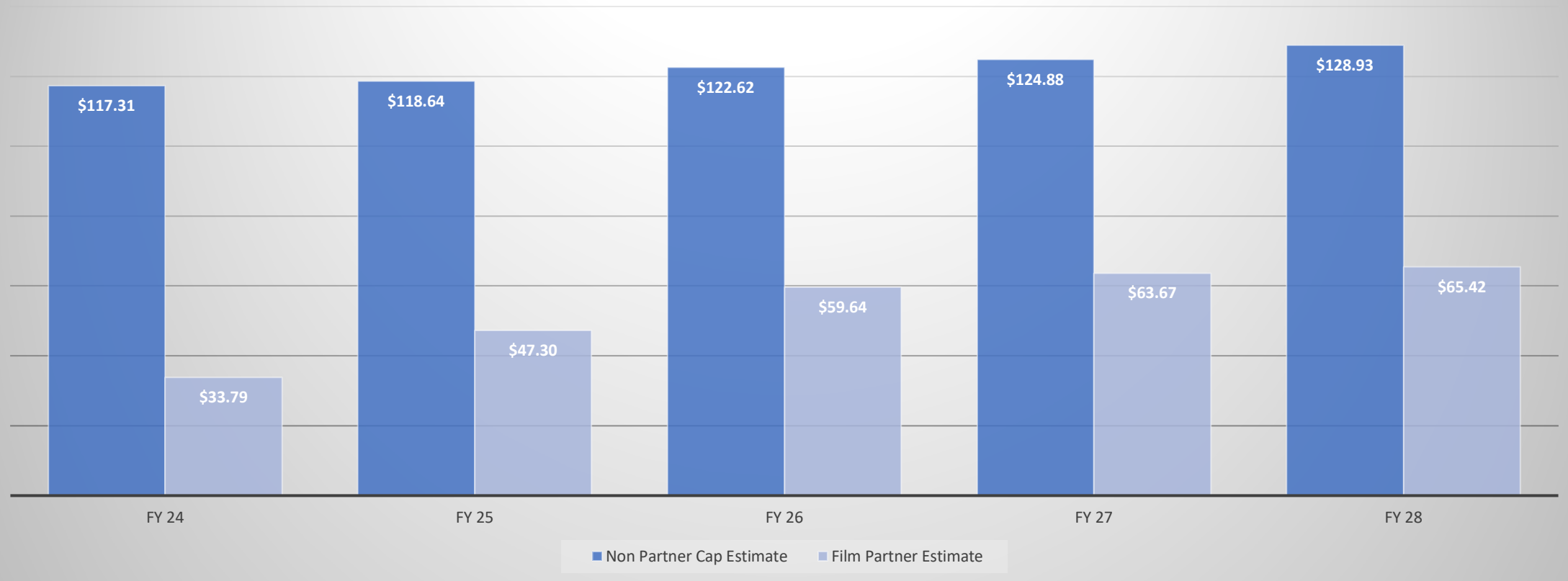
Overview of Film Tax Credit

- Tax Credit Payout Cap = \$120M in FY24
 - +10M each year through FY28, remains at \$160M thereafter
- 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)

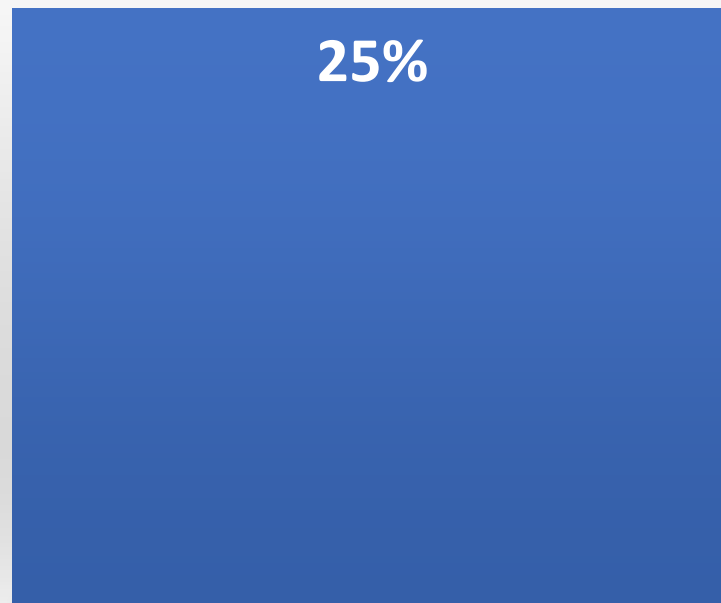


Estimated Future Tax Credit Payouts FY24-FY28 (in millions)

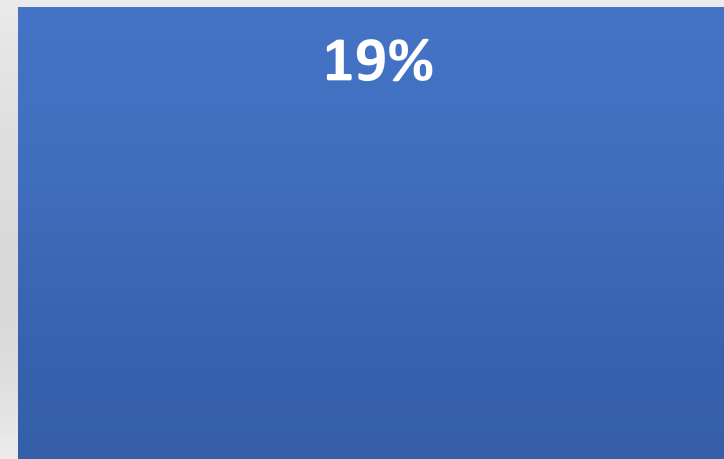


Actual Tax Credit % Issued

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
- Fox's "The Cleaning Lady" S1 and S2



NBCUniversal's "Oppenheimer"



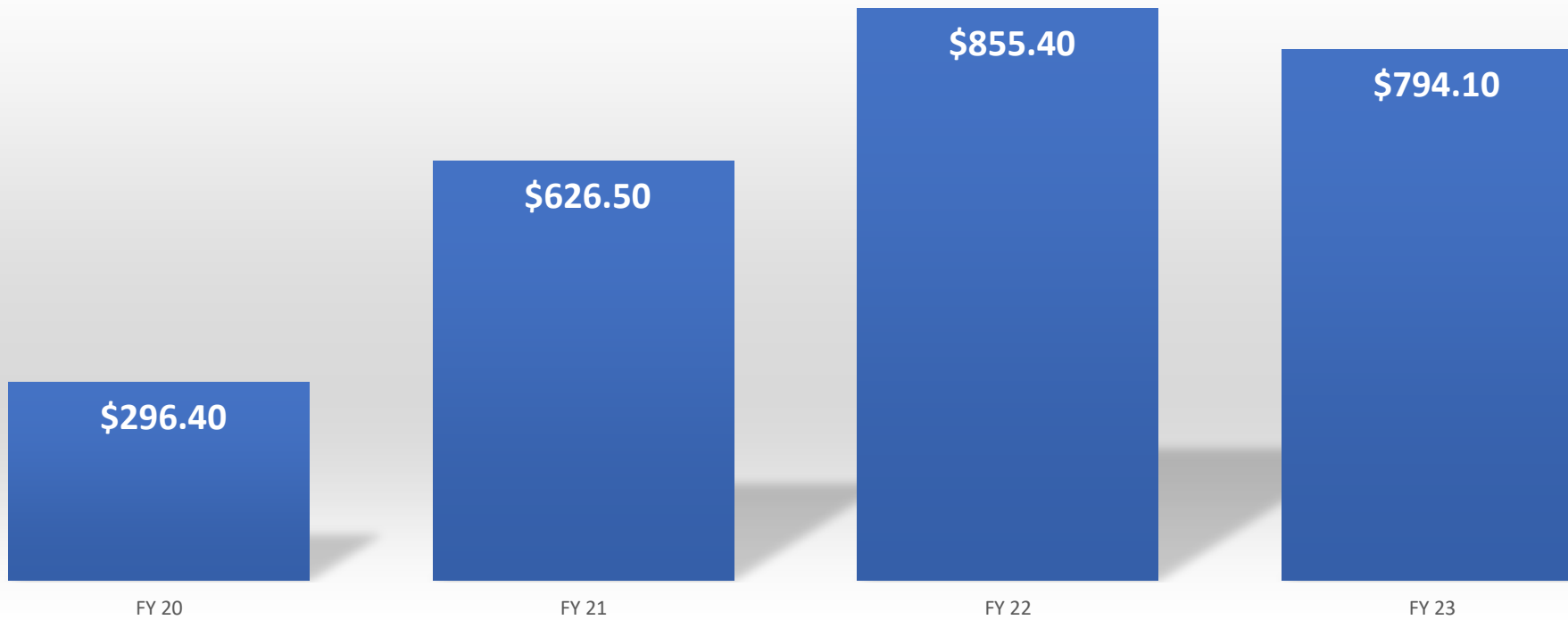
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Production Spend in New Mexico



Direct Production Spend (in millions)



Production Spend in New Mexico



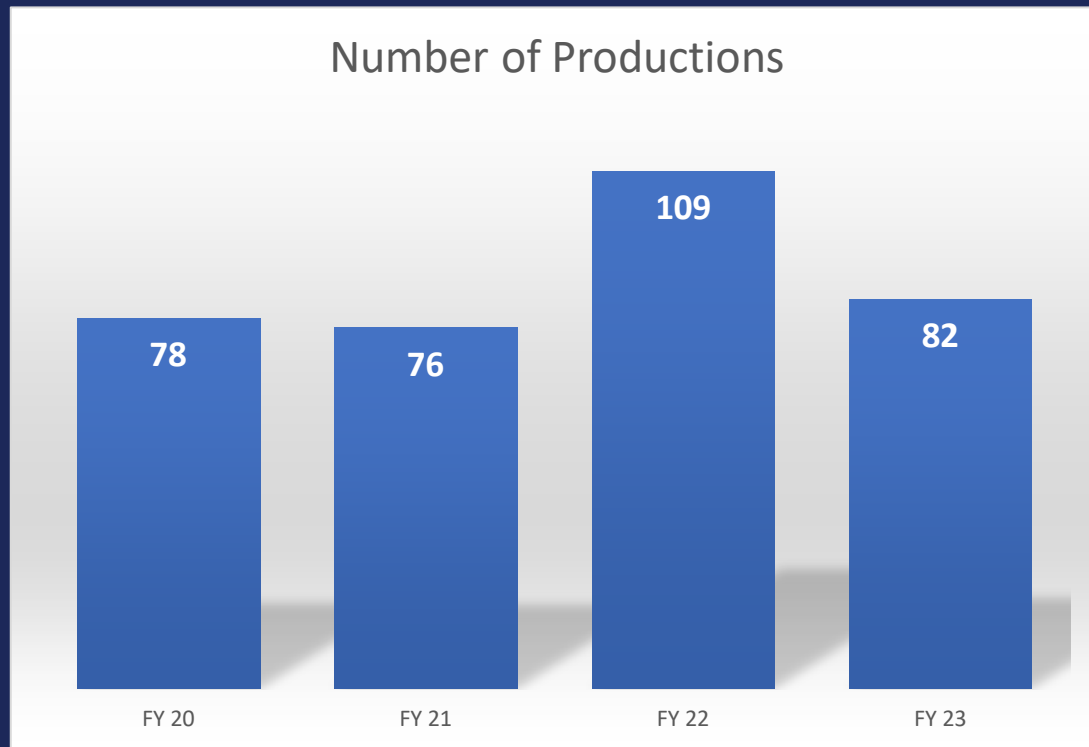
Direct Production Spend in New Mexico by Fiscal Year (in millions)



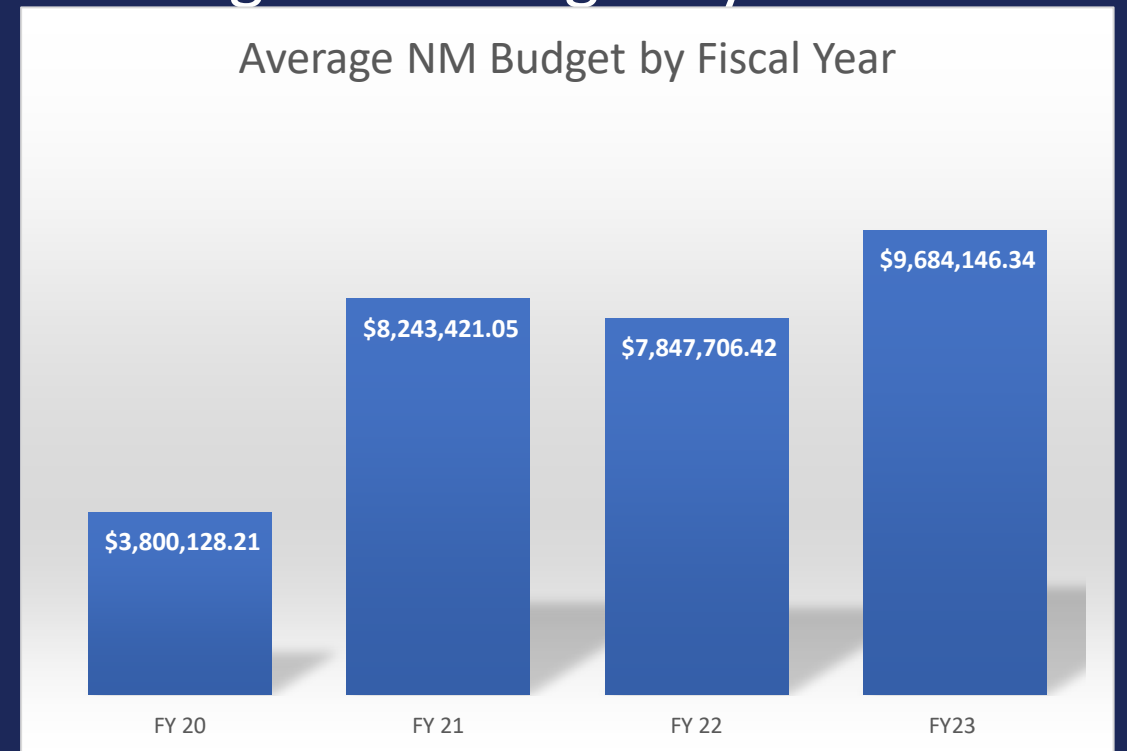
Production Activity and Budgets



Number of Productions



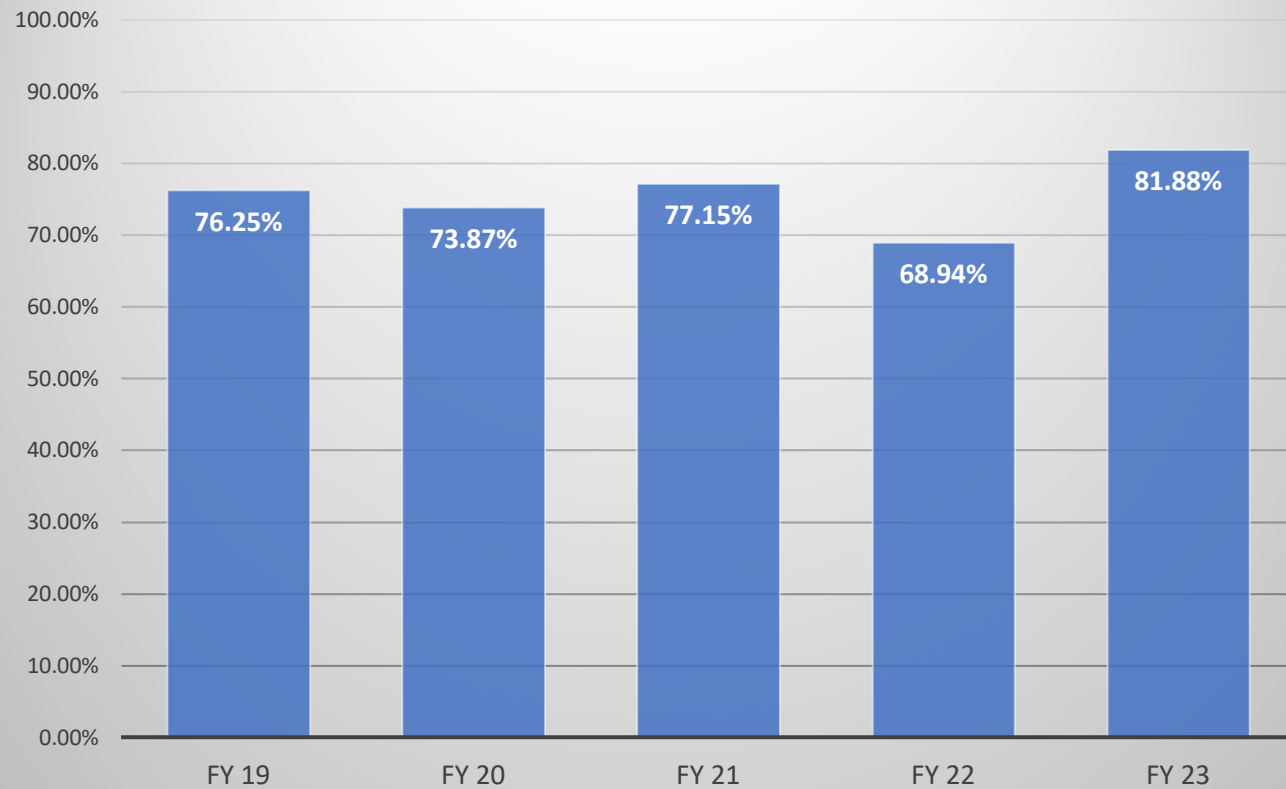
Average NM Budget by Fiscal Year



New Mexican Residents are Crewing New Mexican Productions



Percentage of New Mexico Resident Full Time BTL Crew



Record-breaking New Mexican Residents Hired On and Off Camera



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- **Estimated Total Full Time Resident Crew Hires:**
 - FY20 – 2,736
 - FY23 – 5,113
- **Estimated Total Resident Performing Artists Hires:**
 - FY20 – 610
 - FY23 – 3,783
- **Estimated Total Resident Day Player Hires:**
 - FY20 - 1,486
 - FY23 - 2,059
- **Estimated Total NM Resident Background Talent Hires:**
 - FY20 - 14,894
 - FY23 - 18,513

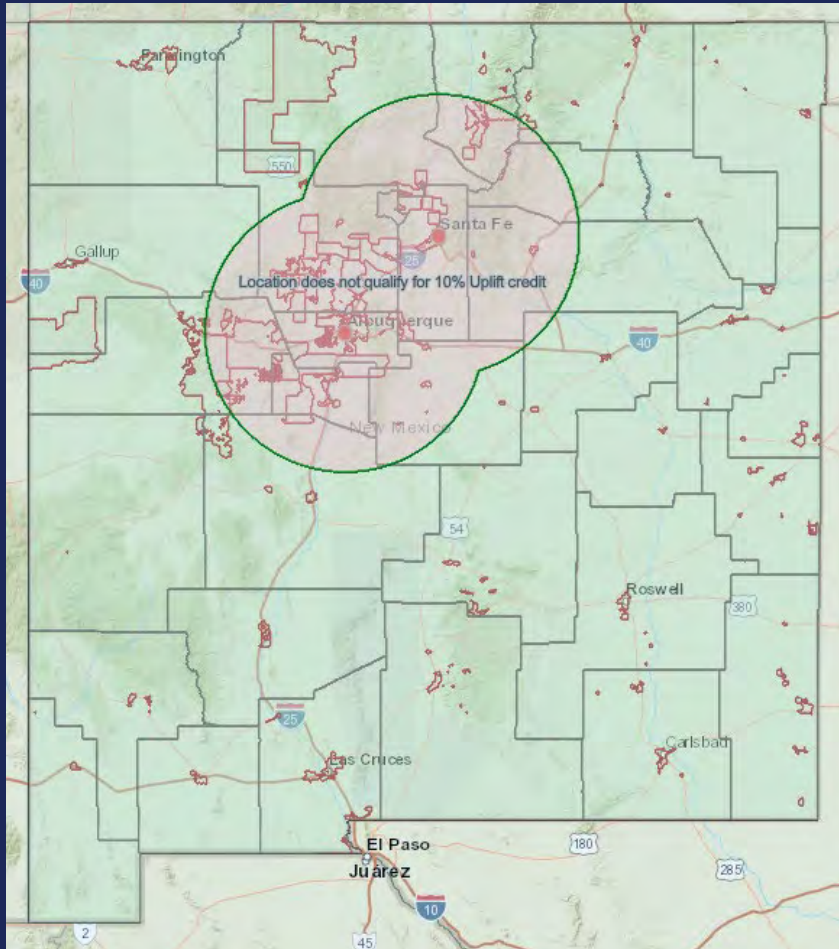


Production Outside ABQ and SF



County	Notable Productions
Chaves	Baron and Toluca, Lonesome Soldier
Colfax	Peace River
Dona Ana	Knight, The Locksmith, Wanted Man, The Informant
Eddy	Wild West
Grant	Talweg NM Tourism
Lincoln	Best Man, 13 Fanboy
McKinley	Dark Winds, Silt, Belly Encounter
Otero	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 – Growing Production Statewide

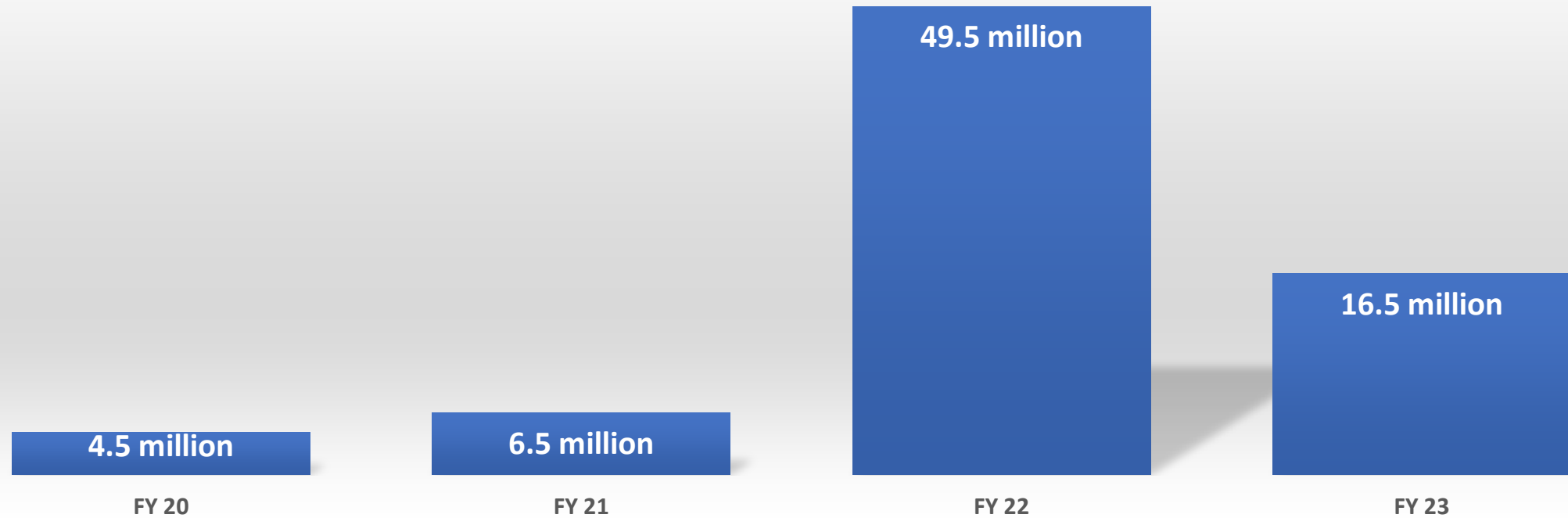


- 60 miles from city halls of Albuquerque and Santa Fe
- More inclusive of rural areas
- Includes all or part of San Juan, Rio Arriba, Taos, Colfax, Union, McKinley, Sandoval, Mora, Harding, San Miguel, Quay, Cibola, Torrance, Guadalupe, Curry, Catron, Socorro, Lincoln, De Baca, Roosevelt, Chaves, Grant, 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 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)
 - Dozens of Independent Films



Ana De Armas in AppleTV+'s "Ghosted"

Production - Tribal Lands and Pueblos



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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





Jobs and Workforce



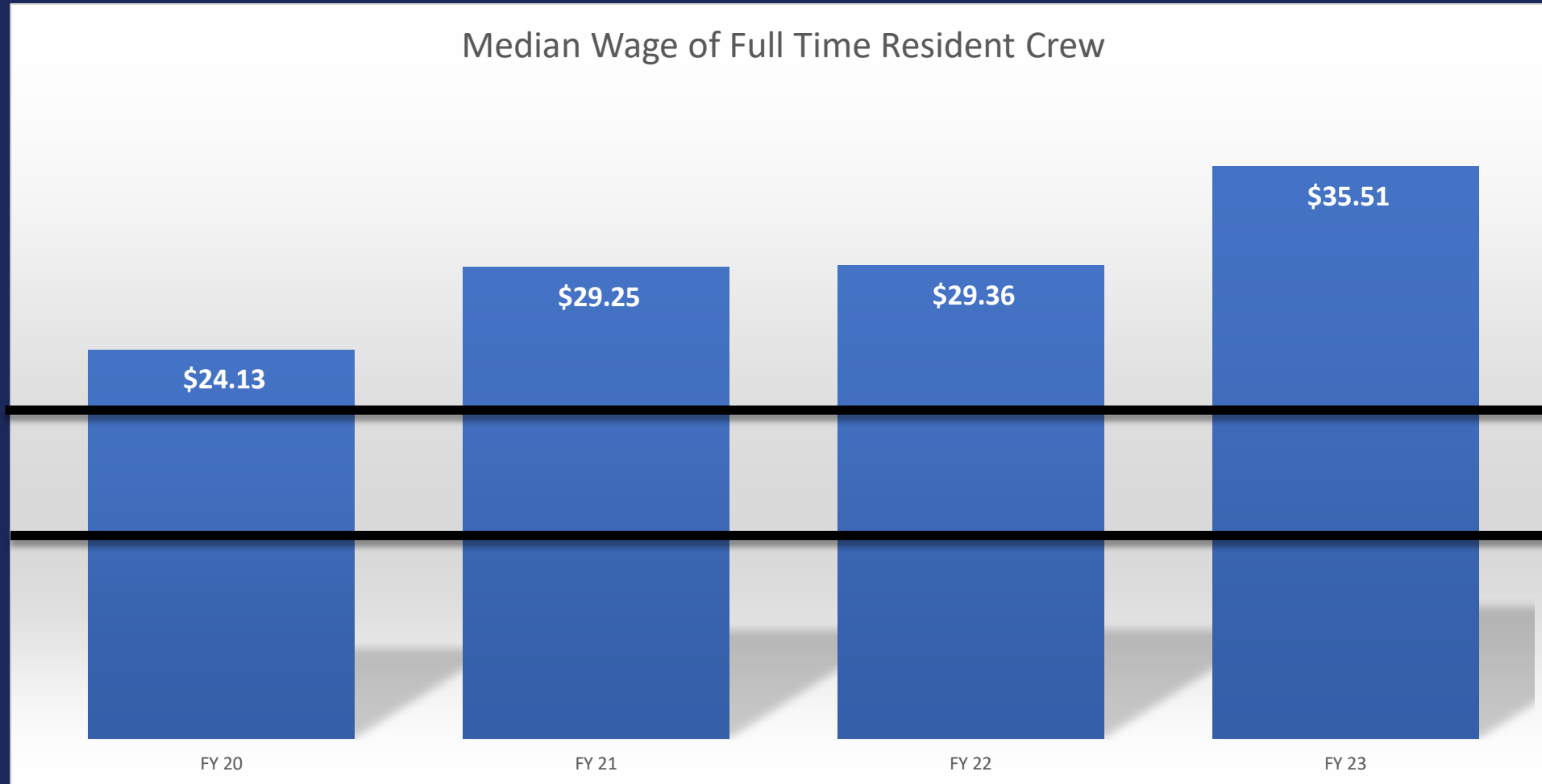


New Mexico Film Workforce

- *Estimated 8,000 jobs -- and growing*
- *Film workers include union, guild members non-union*
 - *IATSE Local 480 = 2,000 members, plus 800 people on "overflow"*
 - *Thousands more - Teamsters 399 (372 members), International Cinematographers Guild 600, SAG-AFTRA, Art Directors Guild, DGA, PGA, background, non-union...*



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 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, benefits, retirement
- Through FCAP program was mentored on each production and is now a Foreman in the Construction Department
- Annual salary has tripled
- His wife, Jessica, has also left her job to work in the film industry

"It's a definite self-esteem boost and encouraging" to be given so many opportunities for career advancement.



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



Native and Indigenous Content Creation



New Mexico is a hub for Native and Indigenous content creation

Chris Eyre, Writer, Director, Producer



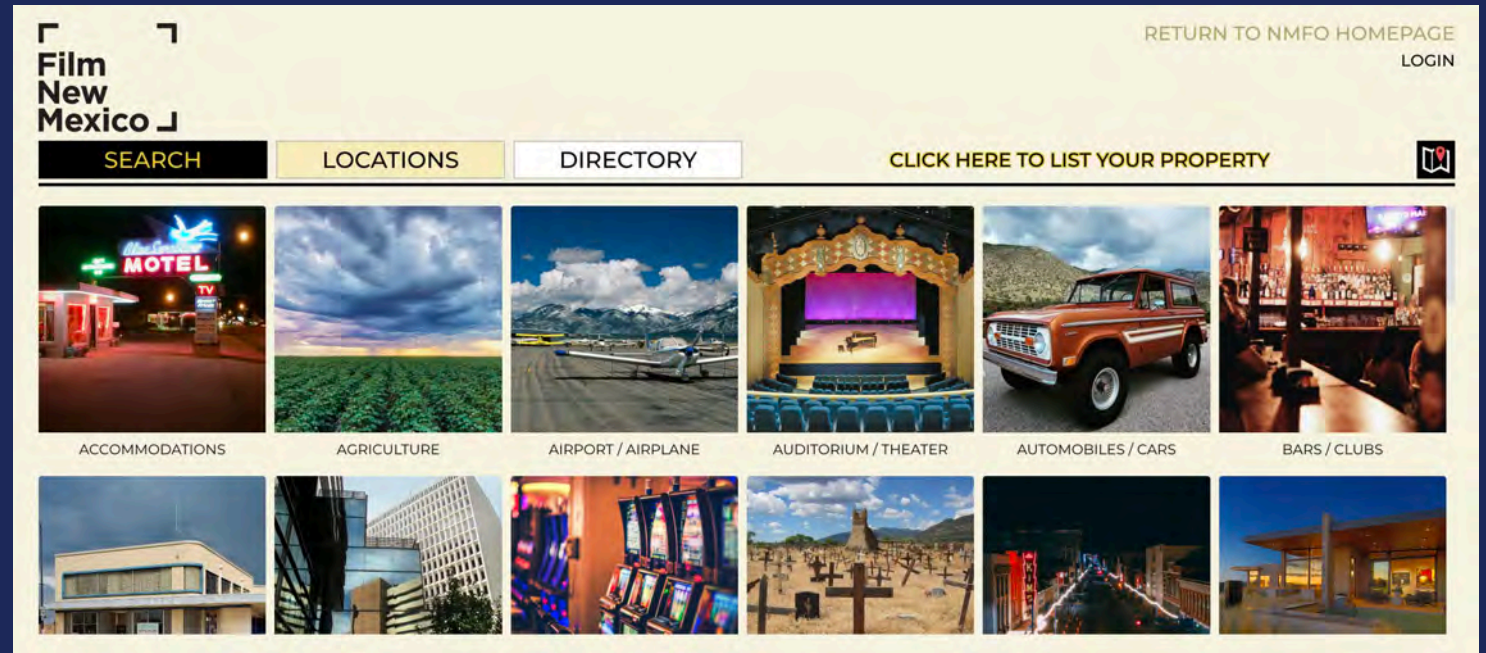


Revenue for New Mexico Residents and Businesses

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*



Meet Allan Affeldt, Business Owner

The Castañeda and The Plaza Hotels 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.

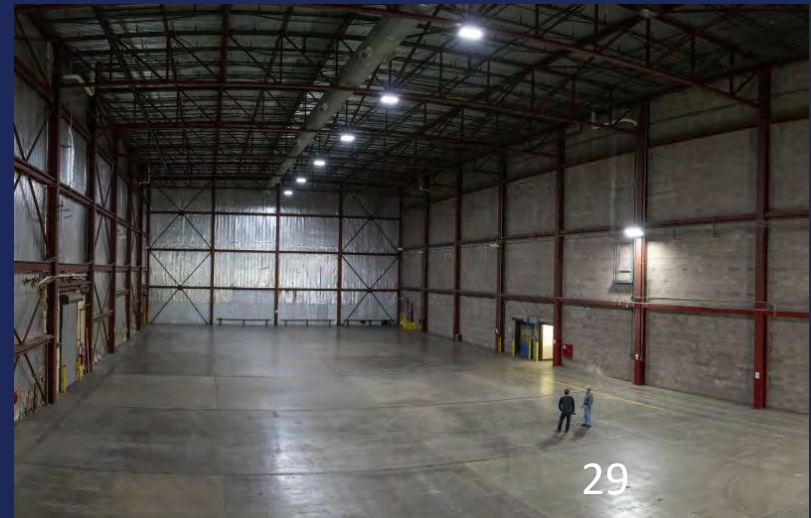
"The net benefit to communities like Las Vegas is enormous."





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 1 interior, 5 exterior structures*
- *In need of more facilities statewide*





Education, Training, Workforce Development Programs

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 NM Residents:

- Production Assistant
- Production Accounting
- Payroll Accounting
- Background Performance
- Set Lighting
- 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



Staying Competitive and Fueling Growth, Jobs + Engagement

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**
 - 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%

Fueling Involvement Statewide



Film Liaison Program

- 56 liaisons representing counties, cities, towns, tribal lands and pueblos
- Navajo Nation, Alamogordo, Los Alamos, Las Vegas, T or C, Las Cruces, Farmington, Zia Pueblo, many more
- Assist with production needs in local areas, provide photos for locations database, permitting



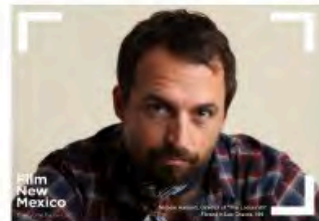
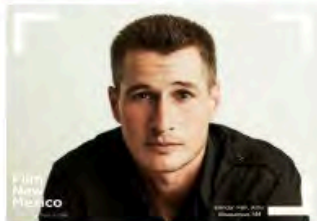
Jan Wafful Film Liaison for Otero County since 2006

“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.” 37

Hear from People Working in NM Film



NMFO Spotlight



- Local Impact and Perspectives on working in and with the film industry of New Mexico
- Interviews, podcasts and conversations with filmmakers, crew, actors, producers, business owners, film liaisons and more.
- Go to NMFILM.COM, Local Impact

Fueling Involvement Statewide



┌ ┐
**Film
New
Mexico** └ ┘

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?
- Do you know of a business owner or individual who would we could spotlight?
- 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)
- Info@nmfilm.com
- 505-476-5600

International Visibility for NM - Netflix in New Mexico



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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.



PEAK



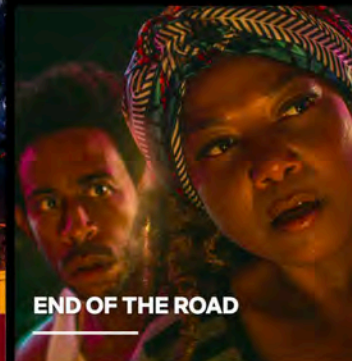
NETFLIX IN NEW MEXICO



STRANGER THINGS

FILMING LOCATIONS

ABOUT THE SERIES



END OF THE ROAD



THE HARDER THEY FALL

International Visibility for New Mexico Netflix in New Mexico



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New Mexico's Film/TV/Digital Media Ecosystem



- Competitive Film Incentive
- World class workforce and talent
- Education/Training/Workforce Programs
- Diverse Locations and Landscapes
- Thousands of Local Businesses
- Soundstage Infrastructure
- Proximity to Los Angeles
- Film-friendly communities, weather, lifestyle, culture, beauty
- Awards/Accolades/Features/Nominations-
MovieMaker Magazine, Deadline
Hollywood, Variety, Global Production
Awards

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Everyone has a role.