

October 1, 2017

The Honorable Brian Sandoval
Office of the Governor
One Hundred One North Carson Street
Carson City, Nevada 89701

Mr. Richard Combs, Director
Legislative Counsel Bureau
401 South Carson Street
Carson City, Nevada 89701

**Re: Annual Report
The Nevada Film Office
Pursuant to NRS 360.7598**

Gentlemen:

Pursuant to NRS 360.7598 the Governor's Office of Economic Development is submitting its annual report for the Transferable Tax Credits for Film and Other Productions. The attached report is based on information provided by the Qualified Productions and addresses the following statutory questions:

1. The number of applications submitted for transferable tax credits pursuant to NRS 360.759;
2. The number of qualified productions for which transferable tax credits were approved;
3. The amount of transferable tax credits approved;
4. The amount of transferable tax credits used;
5. The amount of transferable tax credits transferred;
6. The amount of transferable tax credits taken against each allowable fee or tax, including the actual amount used and outstanding, in total and for each qualified production;
7. The total amount of the qualified direct production expenditures incurred by each qualified production and the portion of those expenditures that were incurred in Nevada;

8. The number of persons in Nevada employed by each qualified production and the amount of wages paid to those persons; and
9. The period during which each qualified production was in Nevada and employed persons in Nevada.

We have also included a “Summary of Approved Incentives and of Actual Awards” report to provide a more comprehensive review of the Film program.

If further information is required, please contact me at your convenience.

Respectfully yours,

A handwritten signature in black ink, appearing to read "Mike Dang". The signature is stylized with a prominent peak and a long, sweeping tail that ends in a small loop.

Mike Dang
Director of Business Development

cc: Steve Hill

Annual Report
For the Nevada Film Office

Pursuant to NRS 360.759
(FY 2017)

Pursuant to NRS 360.7598 the Governor's Office of Economic Development is submitting its annual report for the Transferable Tax Credits for Film and Other Productions. The attached report is based on information provided by the Qualified Productions and addresses the following statutory questions:

1. The number of applications submitted for transferable tax credits pursuant to NRS 360.759: **There were no applications submitted for transferable tax credits pursuant to NRS 360.759 during the fiscal year 2017.**
2. The number of qualified productions for which transferable tax credits were approved: **No productions qualified and were approved for transferable tax credits during the fiscal year 2017.**
3. The amount of transferable tax credits approved: **The total amount of transferable tax credits approved for the fiscal year 2017 was \$0.**
4. The amount of transferable tax credits used: **For the fiscal year 2017, including prior year balance carryforwards, there were \$1,462,376 transferable tax credits used.**
5. The amount of transferable tax credits transferred: **During the fiscal year ended 2017 there were \$5,222,720 of transferable tax credits transferred from productions to end user purchasers.**
6. The amount of transferable tax credits taken against each allowable fee or tax, including the actual amount used and outstanding, in total and for each qualified production: **The amount of transferable tax credits taken against gaming taxes was \$5,222,720 for the fiscal year 2017, with \$5,222,720 used/redeemed and \$0 outstanding.**
7. The total amount of the qualified direct production expenditures incurred by each qualified production and the portion of those expenditures that were incurred in Nevada: **In total, qualified production expenditures were \$14,409,757 for the fiscal year 2017 of which \$10,117,232 were incurred in Nevada.**
8. The number of persons in Nevada employed by each qualified production and the amount of wages paid to those persons: **During the fiscal year 2017, there were 640 persons employed at various times during productions and \$3,937,946 in wages paid to persons during which time those productions were in Nevada.**

9. The period during which each qualified production was in Nevada and employed persons in Nevada: **Three productions in Nevada redeemed credits during the fiscal year 2017, these productions employed persons in Nevada during various time frames:**
- **GNG Untitled Project incurred qualified production expenditures from February 2014 to April 2015. The primary filming dates in which the majority of persons were employed in Nevada were March 2014 to May 2014.**
 - **Frank and Lola incurred qualified production expenditures from November 2014 to September 2015. The primary filming dates in which the majority of persons were employed in Nevada was December 2014.**
 - **Scientific Games (Monopoly Millionaires Club 1B) incurred qualified production expenditures from July 2015 to December 2016. The primary filming dates in which the majority of persons were employed in Nevada were August 2015 to December 2015.**

Nevada Film Office
 Transferable Tax Credit for Film and Other Productions
Summary of Approved Incentives and of Actual Awards

Completed Hearings on Tax Applications

Production Title	Total Budget	NV Direct Expenses	Out of State Payroll in NV	NV Resident Payroll	Total Payroll	Total Nevada	Total FTES	NV FTES	Approved Incentive	Actual Incentive Awarded	Amount Redeemed	Approved vs. Actual Difference	Status	Tax Type
Completed Productions														
Sony Mall Cop 2	\$ 46,002,899	\$ 8,698,207	\$ 12,196,290	\$ 7,045,949	\$ 19,242,239	\$ 27,940,446	76.1	37.5	\$ 3,883,987	\$ 3,230,371	\$ 3,230,371	\$ (653,616)	Certificate Redeemed	Gaming
Lake Mead	\$ 1,803,728	\$ 491,190	\$ 523,938	\$ 590,811	\$ 1,114,749	\$ 1,605,939	12.9	10.4	\$ 257,291	\$ 186,484	\$ 186,484	\$ (70,807)	Certificate Redeemed	Gaming
CBS In the Spotlight	\$ 1,094,622	\$ 226,220	\$ 399,704	\$ 140,106	\$ 539,810	\$ 766,030	1.0	0.2	\$ 102,913	\$ 102,913	\$ 102,913	\$ -	Certificate Redeemed	MBT
Sin City Saints	\$ 7,438,219	\$ 1,264,031	\$ 2,868,122	\$ 1,499,509	\$ 4,367,631	\$ 5,631,662	31.2	20.4	\$ 871,339	\$ 871,339	\$ 871,339	\$ -	Certificate Redeemed	Gaming
The Trust	\$ 6,690,175	\$ 1,647,049	\$ 1,139,157	\$ 2,078,311	\$ 3,217,468	\$ 4,864,517	16.9	13.8	\$ 792,793	\$ 567,172	\$ 567,172	\$ (225,621)	Certificate Redeemed	Gaming
Scientific Games 1A	\$ 31,337,305	\$ 14,444,556	\$ 7,750,763	\$ 2,246,067	\$ 9,996,830	\$ 24,441,386	24.3	10.8	\$ 3,433,685	\$ 3,193,172	\$ 3,193,172	\$ (240,513)	Certificate Redeemed	Gaming
Frank & Lola	\$ 2,000,000	\$ 489,577	\$ 639,300	\$ 399,125	\$ 1,038,425	\$ 1,528,002	7.2	3.4	\$ 240,581	\$ 147,915	\$ 147,915	\$ (92,666)	Certificate Redeemed	Gaming
GNG Untitled Project	\$ 2,392,220	\$ 772,020	\$ 477,750	\$ 581,327	\$ 1,059,077	\$ 1,831,097	17.3	12.0	\$ 296,954	\$ 259,235	\$ 259,235	\$ (37,719)	Certificate Redeemed	Gaming
Scientific Games 1B	\$ 13,231,395	\$ 6,917,011	\$ 3,172,949	\$ 800,248	\$ 3,973,197	\$ 10,890,208	22.1	8.2	\$ 1,514,516	\$ 1,055,226	\$ 1,055,226	\$ (459,290)	Certificate Redeemed	Gaming

In Progress Productions

Who Wants to be a Millionaire [1]	\$ 13,328,075	\$ 7,855,390	\$ 3,947,552	\$ 917,033	\$ 4,864,585	\$ 12,719,975	28.1	8.6	\$ 386,173	\$ -	\$ -	\$ (386,173)	Audit in process	
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TOTAL	\$ 125,318,638	\$ 42,805,251	\$ 33,115,525	\$ 16,298,486	\$ 49,414,011	\$ 92,219,262	237.1	125.3	\$ 11,780,232	\$ 9,613,827	\$ -	\$ (2,166,405)		
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Total Incentives Available \$ 10,000,000

Remaining to be Issued \$ 386,173

Footnotes:

[1] The application for this production qualified for up to \$2,379,966 and was initially approved at this amount on a contingent basis. After all other audits were certified, the amount remaining in the program was confirmed and the Certificate of Eligibility was reissued in the full amount remaining in the program, \$386,173, with contingent status removed.

**Annual Report to the Governor and Director of Legislative Counsel Bureau
Prepared for the Office of Economic Development
By the Nevada Film Office
As of June 30, 2017**

**For the period July 1, 2016 to June 30, 2017
(In Accordance with NRS 360.7598)**

NRS Item	Sony Mall Cop 2	Lake Mead Drowned	GNG Untitled Project	CBS/KALEN In the Spotlight	Sin City Saints	HFP Corp The Trust	Scientific Games Monopoly 1A	Frank and Lola	Scientific Games Monopoly 1B	Valleycrest Millionaire	Total
Number of applications submitted for the transferable tax credits	1										-
Number of qualified productions for which the transferable tax credits were approved	2										-
The amount of the transferable tax credits approved	3										\$ -
The amount of the transferable tax credits used	4		\$ 259,235				\$ 147,915	\$ 1,055,226			\$ 1,462,376
The amount of the transferable tax credits transferred	5		\$ 259,235		\$ 567,172	\$ 3,193,172	\$ 147,915	\$ 1,055,226			\$ 5,222,720
Declared tax type for tax credit	-	Gaming	Gaming	Gaming	MBT	Gaming	Gaming	Gaming	Gaming	Gaming	
The amount of transferable tax credits taken against each allowable fee or tax	6a		\$ 259,235		\$ 567,172	\$ 3,193,172	\$ 147,915	\$ 1,055,226			\$ 5,222,720
The amount redeemed for each production	6b		\$ 259,235		\$ 567,172	\$ 3,193,172	\$ 147,915	\$ 1,055,226			\$ 5,222,720
The amount outstanding for each production	6c	-	-		-	-					-
The total amount of the qualified expenses and production costs incurred by each production	7a		\$ 2,205,298				\$ 1,860,439	\$ 10,344,020			\$ 14,409,757
The total amount of qualified expenses and production costs incurred by each production in Nevada	7b		\$ 1,629,800				\$ 1,110,997	\$ 7,376,435			\$ 10,117,232
The number of persons in Nevada employed by each qualified production (NV residents and non-residents working in NV)	8a		239				260	141			640
The amount of wages paid to those persons (resident and non-resident incurred in NV)	8b		\$ 1,132,823				\$ 799,937	\$ 2,005,186			\$ 3,937,946
The period during which each qualified production was in Nevada and employed persons in Nevada	9		February 2014 to April 2015				November 2014 to September 2015	July 2015 to December 2016			

NOTE:

During fiscal year 2017, GNG Untitled Project, Frank and Lola, and Scientific Games' Monopoly 1B had received audit certification and the transferrable tax credit. HFP Corp's The Trust and Scientific Games's Monopoly 1A both redeemed previously issued credits.