



Larry Hogan | Governor  
Boyd Rutherford | Lt. Governor  
R. Michael Gill | Secretary of Commerce  
Benjamin H. Wu | Deputy Secretary of Commerce

July 1, 2017

The Honorable Thomas V. Mike Miller, Jr.  
President, Maryland Senate  
State House, H-107  
Annapolis, Maryland 21401-1991

The Honorable Michael E. Busch  
Speaker, Maryland House of Delegates  
State House, H-101  
Annapolis, Maryland 21401-1991

**RE: Maryland Film Production Tax Credit Reserve Fund – Annual Report**

Dear President Miller and Speaker Busch:

Pursuant to Tax General Article § 10-730, I am pleased to submit the Department of Commerce's Film Production Tax Credit Reserve Fund Annual Report.

I look forward to your review of this report and will be available to furnish any additional information that is needed. If my staff or I can be of further assistance, or if you have any questions regarding this report, please contact me at 410-767-6301.

Sincerely,

R. Michael Gill  
Secretary

Enclosure



Larry Hogan | Governor  
Boyd Rutherford | Lt. Governor  
R. Michael Gill | Secretary of Commerce  
Benjamin H. Wu | Deputy Secretary of Commerce

## **MEMORANDUM**

**TO:** The Honorable Larry Hogan  
Governor

**FROM:** R. Michael Gill  
Secretary

**THRU:** Britta Vander Linden  
Deputy Chief of Staff, Governor's Office

**DATE:** July 1, 2017

**SUBJECT:** Maryland Film Production Tax Credit Reserve Fund - Annual Report

Pursuant to Tax General Article § 10-730, I am pleased to submit the Department of Commerce's Film Production Tax Credit Reserve Fund Annual Report.

I look forward to your review of this report and will be available to furnish any additional information that is needed. If my staff or I can be of further assistance, or if you have any questions regarding this report, please contact me at 410-767-6301.

Attachment

# **Maryland Film Production Tax Credit Reserve Fund**

## **ANNUAL REPORT**

Pursuant to Tax General Article §10-730

Submitted by:

Maryland Department of Commerce

July 1, 2017

## **Maryland Film Production Tax Credit Reserve Fund**

### **OVERVIEW**

Ch. 486, Acts of 2015 requires the Department of Commerce (Commerce), to report on:

- The amount of tax credits necessary to maintain the current level of film production activity in the State; and
- The amount of tax credits necessary to attract new film production activity to the State.

### **THE AMOUNT OF TAX CREDITS NECESSARY TO MAINTAIN THE CURRENT LEVEL OF FILM PRODUCTION ACTIVITY IN THE STATE: HOUSE OF CARDS (season six)**

On May 1, 2017, Commerce received an application from Media Rights Capital (MRC), the producers of *House of Cards* (HOC), for season six of HOC. Season six is tentatively scheduled to begin production in September 2017. Based on the application, season five would qualify for \$18,645,018 in tax credits.

**The amount of tax credits necessary to maintain the current level of film production activity in the State: \$18.7M**

### **THE AMOUNT OF TAX CREDITS NECESSARY TO ATTRACT NEW FILM PRODUCTION ACTIVITY TO THE STATE<sup>1</sup>:**

#### **Film Production Activity A**

Type: Television Series Pilot

Estimated Budget: \$6M

Estimated Tax Credit: \$1.6M

Timeframe: Fall 2017/Spring 2018

#### **Film Production Activity B**

Type: Television Series

Estimated Budget: \$45M

Estimated Tax Credit: \$12.1M

Timeframe: Summer 2017

---

<sup>1</sup>In order to protect confidential business information in the listing of new film prospects, details of production title and production team have been omitted.

**Film Production Activity C**

Type: Television Mini-Series

Estimated Budget: \$50M

Estimated Tax Credit: \$13.5M

Timeframe: Fall 2017/Winter 2018

**Film Production Activity D**

Type: Film

Estimated Budget: \$12M

Estimated Tax Credit: \$3M

Timeframe: Spring/Summer 2018

**Film Production Activity E**

Type: Film

Estimated Budget: \$25M

Estimated Tax Credit: \$6.25M

Timeframe: Summer 2018

**Film Production Activity F**

Estimated Budget: \$15M

Estimated Tax Credit: \$3.75M

Timeframe: Summer/Fall 2018

**Film Production Activity G**

Estimated Budget: \$15M

Estimated Tax Credit: \$3.75M

Timeframe: Summer/Fall 2018

**Film Production Activity H**

Estimated Budget: \$20M

Estimated Tax Credit: \$5M

Timeframe: Fall/Winter 2018

**Film Production Activity G**

Type: Film

Estimated Budget: \$15M

Estimated Tax Credit: \$3.75M

Timeframe: Fall/Winter 2018

**Film Production Activity I**

Type: Film

Estimated Budget: \$20M

Estimated Tax Credit: \$5M

Timeframe: Summer 2018

**Film Production Activity J**

Type: Film

Estimated Budget: \$10M

Estimated Tax Credit: \$2.5M

Timeframe: Fall 2017

**Note:** In addition to the specific productions above, the Maryland Film Office receives inquiries on a consistent basis from major studios and independent producers regarding status of our incentive programs as they are in the development stage of films and series that would consider Maryland if sufficient incentives were available.

**The amount of tax credits necessary to attract new film production to the State:  
million: \$60.2M**

**Tax credits to maintain: \$18.7 million**

**Tax credits to attract: \$60.2 million**

**Total amount of tax credits: \$78.9 million**