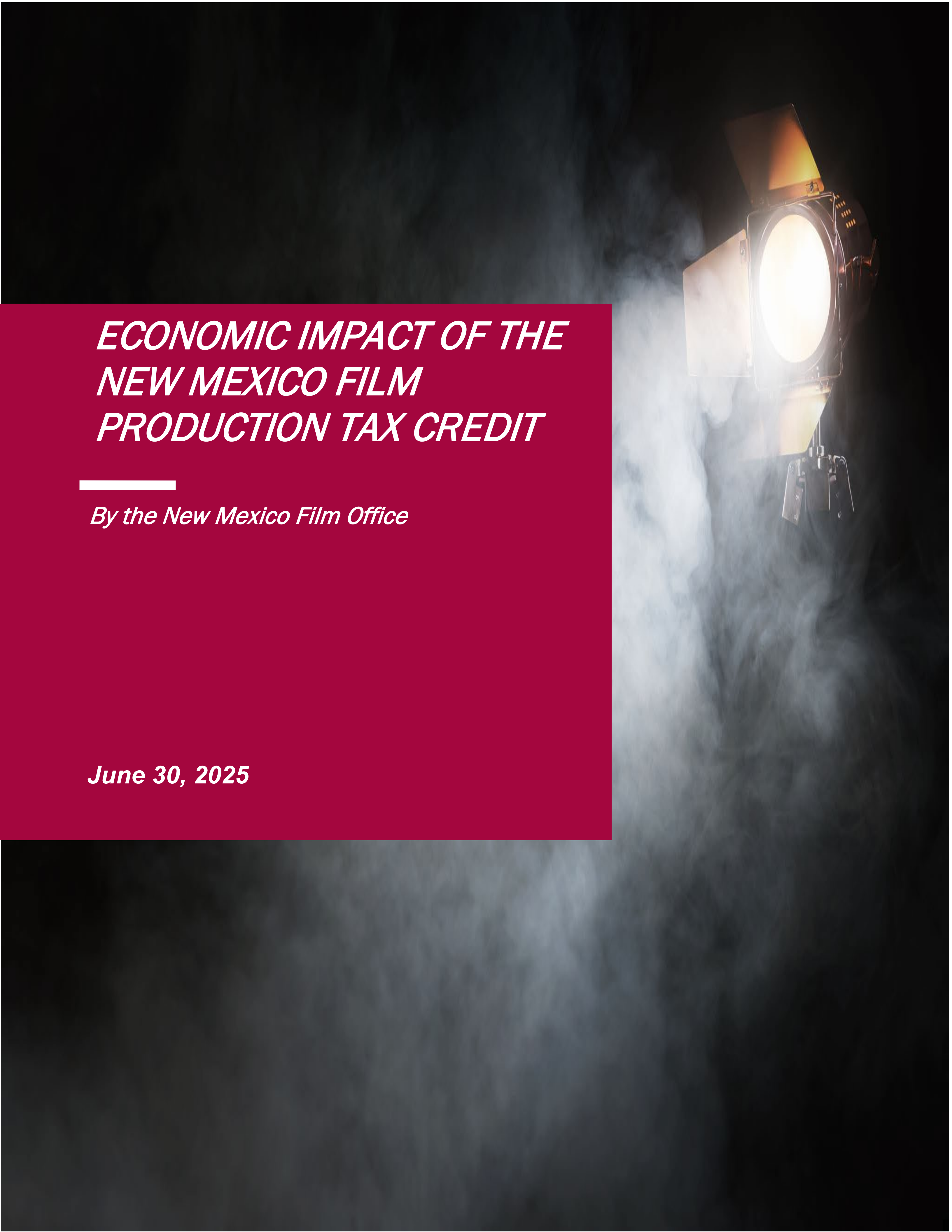


ECONOMIC IMPACT OF THE NEW MEXICO FILM PRODUCTION TAX CREDIT

By the New Mexico Film Office

June 30, 2025

Executive Summary

This analysis covers standard economic impact measures, including Gross Value Added (GVA) as well as effects of incentivized activity on the film and television production supply chain, the geographic impact of in-state production spending, and effects on tourism. Sources of data include registration forms, film statistics forms, application forms submitted to the New Mexico Taxation and Revenue Department, data on the disbursement of tax credits, as well as consultations with producers, legislators, vendors, and other stakeholders. This report considers data from FY21 through FY25.

In recent years, there has been a drop in film and television spending statewide and nationally. Much of the demand for this content has shifted to international markets, which have offered far more lucrative incentives, as well as lower labor costs, favorable currency exchange rates, and government investment. However, New Mexico has taken steps to continue to maintain a strong presence despite these challenges. New Mexico's ability to maintain a competitive edge, attract investment, and support its workforce showcases the long-term viability of the state's film industry. With strong partnerships and a commitment to growth, New Mexico continues to be a leader in film production, even in uncertain times.

New Mexico Governor Michelle Lujan-Grisham and New Mexico legislators have highlighted film and television production as a key industry sector for growth and diversification of the state's economy, with a particular interest in the added value and economic impact of the New Mexico Film Production Tax Credit. The details of the tax credit are summarized in the table below, which were revised during the 2023 legislative session.

Overview of the New Mexico Film Production Tax Credit

New Mexico Film Production Tax Credit: Key Elements	
Value	25-40% of eligible spend in state (not total spend)
Type	Refundable Tax Credit
Cap	Annual budget of $140 million in FY26 (up to $160 million in FY28. New Mexico Film Partners are exempt from cap)

Alongside the tax credit, the NMFO runs a series of initiatives to support the development of the New Mexico talent and encourage inward productions to invest in film and television production infrastructure in the state.

New Mexico Film and Television Production and Incentive Use

Production activity and expenditure in New Mexico had been on an upward trajectory; however, the WGA and SAG-AFTRA strikes as well as the threatened Teamsters strike had an impact on FY23 in which $798.46 million was spent in New Mexico and FY24 in which $740.54 million was spent. In FY22, expenditures reached their highest recorded level at $855.4 million. This was more than a 36% increase over FY21 expenditures of $626.5 million which was also record-breaking at the time. In the most recent fiscal year (FY25) New Mexico experienced a decrease in production to $323 million. This was primarily due to an industry-wide contraction in productions.

Over the five fiscal years studied, feature films accounted for 45% of projects covered by the incentive, with television productions and other digital media comprising the remaining 55%. This trend aligns with global developments, as television series production is experiencing significant growth across the industry.

The Film Production Tax Credit program attracts significant spending to New Mexico. From FY21 to FY25, the combined five-year total was $3.35 billion in direct production expenditure in New Mexico over that period.

While the tax credits range from a base amount of 25% up to as high as 40% with potential uplifts, it is important to note this is only applicable to the spending in the state that is considered qualified spend per the Taxation and Revenue Department. When comparing the estimated tax credits paid to the total New Mexico production spend observed, we see a more accurate representation of the true percentage. Over FY21 through FY25, the five-year average of the actual tax credit as a percentage of total New Mexico spend was 19.6%.

Most production activity in New Mexico is focused on urban areas in and around Albuquerque and Santa Fe; however, we have seen significant growth in production spend outside of Albuquerque and Santa Fe areas in FY22. The “uplift zone” aims to incentivize production outside of the main production hubs by providing an additional 10% incentive on expenditures. New Mexico has seen unprecedented production spend in the uplift zone, with $4.5 million in FY20, to $6.5 million in FY21, up to a new record of $50.2 million in FY22. In FY23, it is estimated that a further $21.2 million was spent in the uplift zone, with another $42.15 million in FY24 and $32 million in FY25, despite being heavily impacted by the WGA and SAG-AFTRA strikes and the overall global downturn. With the recent update to the uplift zone boundary, which is now more inclusive of additional small towns, tribal lands, and pueblos, in addition to an increase from a 5% uplift to a 10% uplift for the uplift zone, it is expected that New Mexico will continue to see growth in this area.

Economic Impact of Production and the Tax Credit

Production activity in New Mexico involves purchases and payments to a wide variety of industries and individuals, which impact a wide range of industrial sectors throughout the state’s economy – including construction, hotels, and real estate. During the COVID-19 pandemic, when the tourism and hospitality industry in New Mexico were severely impacted, film and television production provided a vital source of income.

Evidence from a survey of production companies and confidential consultations undertaken during a prior version of this report indicates that the incentive is an important factor in drawing production expenditure to New Mexico and that very little production activity would be attracted to New Mexico without the incentive. The economic impact findings presented here reflect this high level of additionality.

From FY 21 to FY25, the total direct output associated with the production tax credit was a combined $3.07 billion. Indirect impacts describe the impact of the uplift of activity in the supply chain and induced effects are created as a result of the wages of those working in the production sector. When indirect and induced effects are also taken into account, the total output attributed to the credit over these five years is $4.9 billion.

Gross Value Added (GVA) is a measure of the value that is created by economic activity and is the difference between gross output and intermediate inputs. These are the goods and services utilized by an industry in producing its gross output. Using the IMPLAN economic model indicates that from FY21 to FY25 the total GVA created by the tax credit was $3.6 billion including $2.52 billion in direct GVA.

Economic Impact of NM Film Tax Credit (in millions)

		FY 21	FY 22	FY 23	FY 24	FY25	Sum
Output	Direct	$573.9	$787.0	$734.6	$681.3	$297.3	$3,074.1
	Indirect	$174.0	$238.6	$222.7	$206.6	$90.1	$932.1
	Induced	$169.9	$232.9	$217.4	$201.7	$88.0	$909.9
	Total	**$917.8**	**$1,258.5**	**$1,174.7**	**$1,089.5**	**$475.5**	**$4,916.0**

		FY 21	FY 22	FY 23	FY 24	FY25	Sum
GVA	Direct	$470.4	$645.1	$602.1	$558.5	$243.7	$2,519.8
	Indirect	$104.5	$143.3	$133.8	$124.1	$54.1	$559.7
	Induced	$97.2	$133.3	$124.4	$115.4	$50.4	$520.6
	Total	**$672.1**	**$921.7**	**$860.3**	**$797.9**	**$348.2**	**$3,600.2**

Wider Strategic Impacts of the Tax Credit

New Mexico continues to be a prominent location for film and television production, attracting high-profile projects and fostering economic growth across the state. Notably, the state served as the backdrop for the acclaimed television series Breaking Bad (2008–2013) and its prequel Better Call Saul (2015–2022), both filmed in Albuquerque and Santa Fe. These productions have significantly boosted tourism, with themed tours and merchandise drawing visitors from around the world. Additionally, the success of these series has showcased the capabilities of New Mexico's workforce, enhancing the state's reputation as a competitive production hub. More recently notable productions such as Stranger Things, Wycaro, Oppenheimer, and Dark Winds continue to spark tourism into the state.

Opportunities and Challenges for the Development of the Film and Television Production Sector in New Mexico

The New Mexico Economic Development Department aims to enhance the state's economic opportunities by expanding the film, television, and digital media industry. The New Mexico Film Office (NMFO) plays a pivotal role in this mission by recruiting productions, overseeing workforce development programs, and creating high-paying jobs for New Mexicans.

New Mexico's film-friendly environment is strengthened by a competitive tax credit and supportive legislation. The state's comparatively low living and production costs further enhance its appeal to producers. Feedback from industry professionals indicates that the tax credit has been invaluable to their projects, with many citing it as a primary factor in their decision to film in New Mexico.

However, challenges persist. The state faces a shortage of qualified film and television production workforce, particularly in rural areas. While programs like the Film Crew Advancement Program (FCAP) have facilitated career advancement, awareness and accessibility remain barriers to its full potential.

Infrastructure limitations, especially the availability of high-quality production spaces such as soundstages and post-production facilities, had been identified as key challenges, This may not be the case during the current industry wide downturn, however it has been identified as an issue in the past, and could be a future busier environment. Despite these hurdles, there is optimism regarding investments from major industry players such as Netflix, which are expected to bolster the state's production capacity.

The Global Film and Television Production Downturn

The global film and television industry has experienced a significant downturn in recent years, marked by declining production volumes, labor disputes, and shifting market dynamics.

Declining Production Volumes
In early 2025, global film and television production saw a 10% decline compared to both December 2024 and January 2024. The Asia-Pacific region experienced a 35% drop in production volume, the steepest decline among all regions, driven by reduced financing in countries like India and Japan
In the United States, production activity was down approximately 40% in the second quarter of 2024 compared to peak levels in 2022.

Labor Disputes and Industry Disruption
In 2023, the film and television industry faced significant disruptions due to labor disputes. The Writers Guild of America (WGA) and SAG-AFTRA, representing screenwriters and actors respectively, went on strike over issues such as compensation from streaming services and concerns about artificial intelligence threatening job security. The strikes lasted several months, causing the largest interruption to the American film and television industries since the COVID-19 pandemic.

Shifting Market Dynamics
The downturn in the industry is attributed to several factors, including economic caution, shifting commissioning strategies by major studios and streaming platforms, and competition from other regions offering more attractive tax incentives and lower labor costs.
As the global film and television industry navigates these challenges, stakeholders are exploring new strategies to adapt to the evolving landscape. As artificial intelligence (AI) continues to advance, it is poised to significantly influence regional film economies like New Mexico's. Innovations ranging from virtual production and automated scriptwriting to post-production tools and synthetic performers are transforming every stage of content creation, from development to distribution.

An Opportunity for New Mexico

Compared to other US states, New Mexico has one of the lowest per capita personal incomes of $57,652 in 2024, which ranks it 46th of the 50 US states according to the Bureau of Economic Analysis. The economy is largely based on primary industries, such as gas and oil production, and agriculture. It also receives significant federal spending on in-state military production and services.

Governor Michelle Lujan Grisham recognizes film and television production as a key growth sector to diversify beyond primary industries, and part of the path to develop cleaner industries. In addition to this, legislators have highlighted the softer cultural impacts of film and television production, where the production and depiction of New Mexico in film and television provides positive publicity, branding, and unique interest to inward investors and tourists generally. These productions generally, and depictions of New Mexico specifically, can also increase pride in residents for their state.

2023 Legislative Session Changes to Film Production Tax Credit

Component	Previous	New	Details
Base Tax Credit	25%	25%	The base tax credit for the Film Production Tax Credit Remains at 25%. Max stackable credit is 40% (for productions beginning principal photography July 1st, 2023)
Rural Uplift	5%	10%	Increases the rural uplift from 5% to 10% and also adjusts the rural boundary to be defined as 60 miles from the city halls of Albuquerque and Santa Fe. This change will allow a sufficient uplift to capture the increased costs of moving productions to rural communities, and the shift in boundary definition will allow other communities currently left out of the rural uplift to be included. See TRD Rural Uplift Map for further details.

			City Hall of Albuquerque: One Civic Plaza, Albuquerque, NM 87102. City Hall of Santa Fe: 200 Lincoln Avenue, Santa Fe, NM 87501
NRCE (Non-Film Partners)	15%-20%	15%	Restricts the current 15-20% credit to 15%. The rule still remains to place to which a production cannot claim more than 15% of total taxable BTL wages under NRCE, so the maximum NRCE credit can only be 15% of 15% of a production's total BTL wages. Legislation now caps the number of positions that qualify based on production budget in New Mexico by the production. The giveback of 2.5% of expenditures for the payment of wages has also been removed
NRCE (New Mexico Film Partners)	15%-20%	15%	Changes to NRCE for film partners include adjusting the "15% of total BTL wages" rule referenced above, to not apply to film partners. Instead allows for film partner productions with at least half of their BTL crew base as NM residents to claim 15% for nonresidents if meeting requirements including providing a 72-hour notice of job opportunities for resident hires. Sunsets in FY28.
Tax Credit Fund Cap for Non Film Partners	$110 Million	$110 Million increasing to $160 million	Increases the $110 million Tax Credit Fund for non-film partners by $10 million a year for a total of 5 years beginning in FY24 to eventually reach and remain at $160 million. The $100 million "hard" cap for liabilities in excess of the Tax Credit Fund remains in place. Payments made to production companies (referred to as "New Mexico film partners") who purchase or sign a 10 year lease for a qualified production facility continue to be carved out and not subject to this cap.
Tax Credit Fund for NM Film Partners	Uncapped	Uncapped	New Mexico Film Partners (Netflix, NBC Universal, and 828 Studios) are not subject to the Tax Credit Fund Cap referenced above. This is Unchanged.

Principal Performers Cap (Non-Film Partners)	$5 million per Production	$5 million per Production	This Above the Line (ATL) cap remains at $5 million in credits per production for non film partners. Resident principal performing artists are now exempt from this cap.
Above the Line Cap (Film Partners)	$5 million per Production	$15 million per Production	In addition to the $5 million cap which applies to all productions for nonresident principal performers, New Mexico film partners will now have access to an additional $10 million cap per production which will apply to the services of nonresident performing artists, directors, producers, screenwriters, and editors. A $40 million aggregate is in place for all film partners per fiscal year. The $5 million Above the Line (ATL) cap is not part of the aggregate $40 million cap. After the $40 million aggregate cap has been reached, productions will still have access to the standard $5 million per production for Above the Line (ATL) credits for non resident performing artists.
Qualified Production Facility Uplift	5%	5%	Remains unchanged
TV Series or Pilot Uplift	5%	5%	Remains unchanged

NEW MEXICO FILM PRODUCTION INCENTIVES

Background to Production Incentives

In a competitive global market where film and television production spend has dropped drastically, tax incentives have become increasingly recognized by governments as an efficient and strategic policy tool to attract and strengthen local production sectors and build skills, employment, and infrastructure in a future-facing global industry, as well as attract high-value inward investment.

The New Mexico Film Production Tax Credit

The NMFO oversees the Film Production Tax Credit and is responsible for registrations and management, with applications and disbursements managed by the Taxation and Revenue Department. The tax credit has changed several times over the decades.

A tax incentive for film in New Mexico was first introduced in 2003 at a rate of 15%. The rate of the credit has risen over time to a base of 25%, with a maximum amount of 40% -- although, as noted, this rate applies against qualifying spend, and the rate against total New Mexico spend averaged 19.6% over the last five years. An additional 10% credit is available for productions that are shot at least 60 miles beyond the city halls of Albuquerque and Santa Fe. The rebate can only be used on eligible qualifying expenditure, examples of which include: expenditures for New Mexico cast and crew (including wages, benefits, workers' compensation, fringes and handling fees) and expenditures for services rendered in state on set construction and operations, set wardrobe, set accessories, set related services, photography, sound synchronization, lighting, editing, rental of facilities and rental of equipment.

As noted, the credit covers ATL and BTL, although there is a cap of $5 million for non-resident performing artists and resident principal performing artists in a production.

The non-resident BTL crew exception (NRCE) for non-Film Partners allows for a restricted 15% credit for no more than 15% of total taxable BTL wages for nonresidents. Furthermore, additional restrictions to this program were introduced in 2023, limiting the number of positions allowed per production, which is contingent upon the New Mexico budget. The total amount of positions per production cannot exceed a total of 20 positions at maximum for non-film partners.

The incentive was last revised in 2023. This change raised the annual cap of the credit from $110 million to an eventual $160 million per fiscal year in $10 million increments beginning in FY24 to an eventual $160 million in FY28, where it will remain. This also included increasing the Uplift Zone from 5% to 10% and also adjusting the boundary to be defined as 60 miles from the city halls of Albuquerque and Santa Fe. This change enables an uplift necessary to capture the increased costs of relocating production to rural communities, and the change of boundary definition will enable other communities currently excluded from the rural uplift to be included.

Uplifts to the 25% base are also available, including an additional 5% credit for standalone pilots intended for television series in New Mexico, as well as television series productions intended for commercial distribution with an order for at least six episodes in a single season. An additional 5% credit is also available if certain criteria are met regarding the use of qualified production facilities. However, these 5% uplifts cannot be combined together.

Meanwhile, FCAP provides an incentive of 50% of wages for up to 1,040 hours to employers who provide on-the-job training for New Mexico residents advancing in their craft under the tutelage of a mentor on a participating production.

To qualify for the tax credit, a production must be intended for exhibition and reasonable commercial exploitation. The project must be commercially viable and accessible to the public, either through purchase or via media buys. The project can be from a wide range of media, including feature films, television series, and certain commercials, as well as student films, documentaries, music videos, various digital media, and standalone post-production.

The New Mexico Film Partner Program

A New Mexico Film Partner is a film production company that has made a commitment to produce films or commercial audiovisual products in New Mexico and purchased or executed a 10-year contract to lease a qualified production facility.

This entitles a Film Partner to access a separate, uncapped tax credit fund, allowing 25-40% of eligible expenditures (or costs). To date, three production companies have become Film Partners: Netflix, NBCUniversal and 828 Productions, the latter of which announced they are relocating their headquarters from Los Angeles to Las Cruces to become the state's third film partner. 828 Productions plans to invest $75 million to build a 300,000 square foot studio, and 20 acre back lot over the next six years, creating at least 100 high paying jobs in Las Cruces.

In addition to the $5 million cap in credits which applies to all productions for nonresident principal performers, New Mexico film partners will now have access to an additional $10 million credit cap per production which will apply to the services of nonresident performing artists, directors, producers, screenwriters, and editors. A $40 million aggregate is in place for all film partners per fiscal year. The $5 million Above the Line (ATL) cap is not part of the aggregate $40 million cap. After the $40 million aggregate cap has been reached, productions will still have access to the standard $5 million per production for Above the Line (ATL) credits for non resident performing artists.

This is a highly innovative program and likely preempts a broader industry trend for jurisdictions to focus more on encouraging longer-term production commitments. New Mexico has early mover advantage here, and the state has clearly been able to attract major investors. States such as New Jersey have emulated New Mexico's Film Partner legislation and have attracted long-term partners including Netflix.

Film Crew Advancement Program

The Film Crew Advancement Program (FCAP) is an on-the-job training program for New Mexican residents working primarily in technical industry positions. FCAP is part of the New Mexico State's Job Training Incentive Program (JTIP), which funds classroom and on-the-job training for newly created jobs in expanding or relocating businesses for up to six months. It is subject to the $2 million cap.

Independent of the 25% Film Production Tax Credit, this program serves as an incentive for participating companies to provide job opportunities to New Mexico residents who are ready advance within their department or are acquiring a new skill set. The objective of the FCAP is to address skill deficiencies within the local crew. Rather than bringing crew in from out of state, the FCAP encourages production companies to invest in already engaged local crew.

The FCAP program provides a 50% reimbursement of qualifying participants' wages for up to 1,040 hours physically worked by the crew member in a position. There are a range of specific criteria for both the production company and the crew member. These include that the project budget must be above $200,000; post-production companies and digital production are not eligible; the grant agreement must be submitted prior to principal photography commencing; and the crew member must work a minimum of 80 hours and a maximum of 1,040 hours per position.

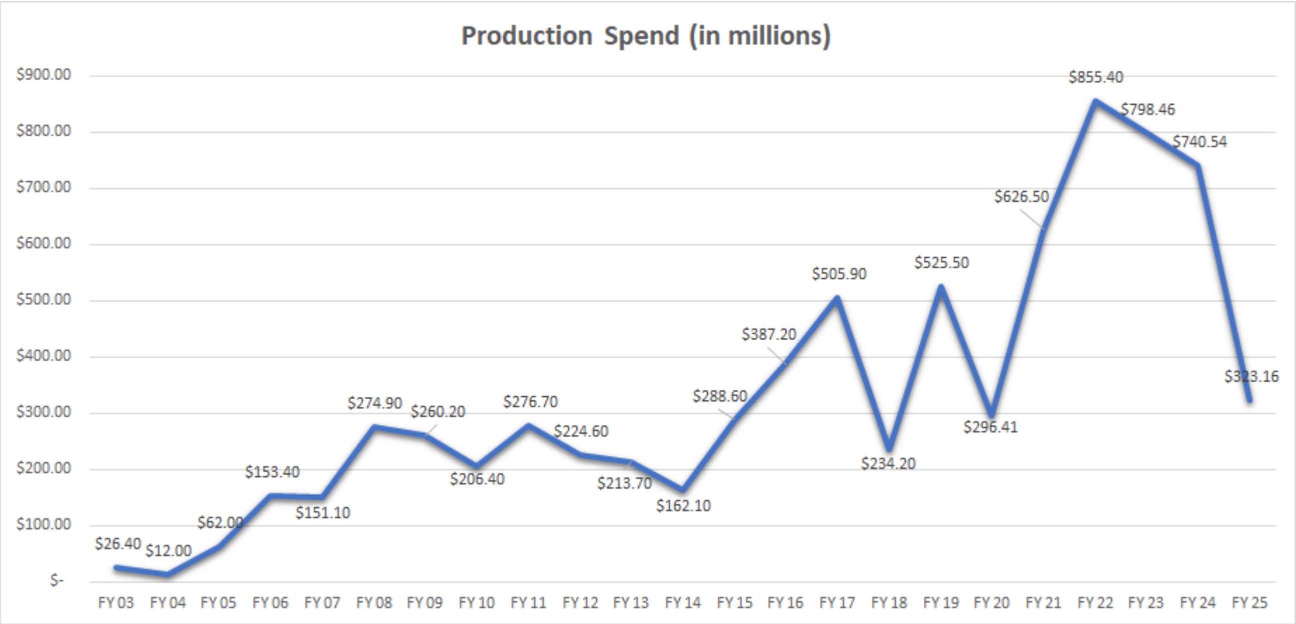
This program has been recognized as a leading example of workforce development in the industry. The Association of Film Commissioners International, and Olsberg SPI recognized it as such in their 2024 Best Practices in Screen Sector Development Report.

Competitive Markets in U.S

State	Cap	Incentive
California	$330 Million	Up to 35%
New York	$800 Million	Up to 40%
Georgia	Uncapped	Up to 30%
Louisiana	$180 Million	Up to 40%
Illinois	Uncapped	Up to 45%
Arizona	$125 Million	Up to 22.5%
Oklahoma	$30 Million	Up to 38%
New Jersey	$400 Million ($150 million additional for partners)	Up to 40%
Texas	$300 Million (every 2 years)	Up to 22.5%

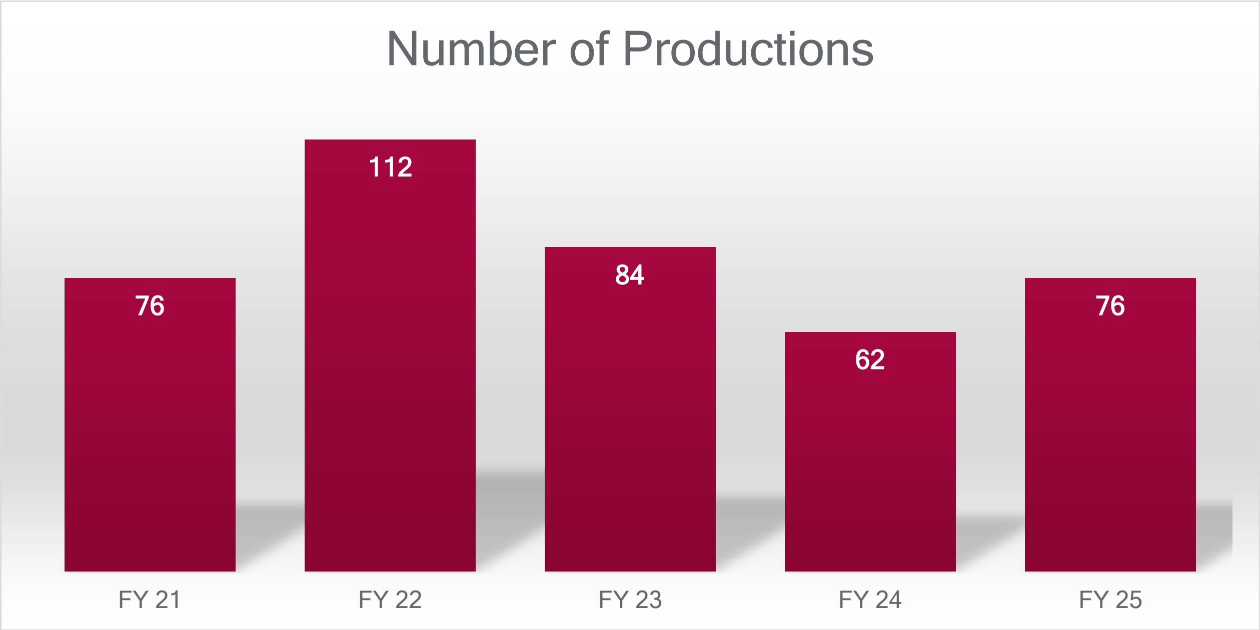
NEW MEXICO PRODUCTION AND INCENTIVE USE

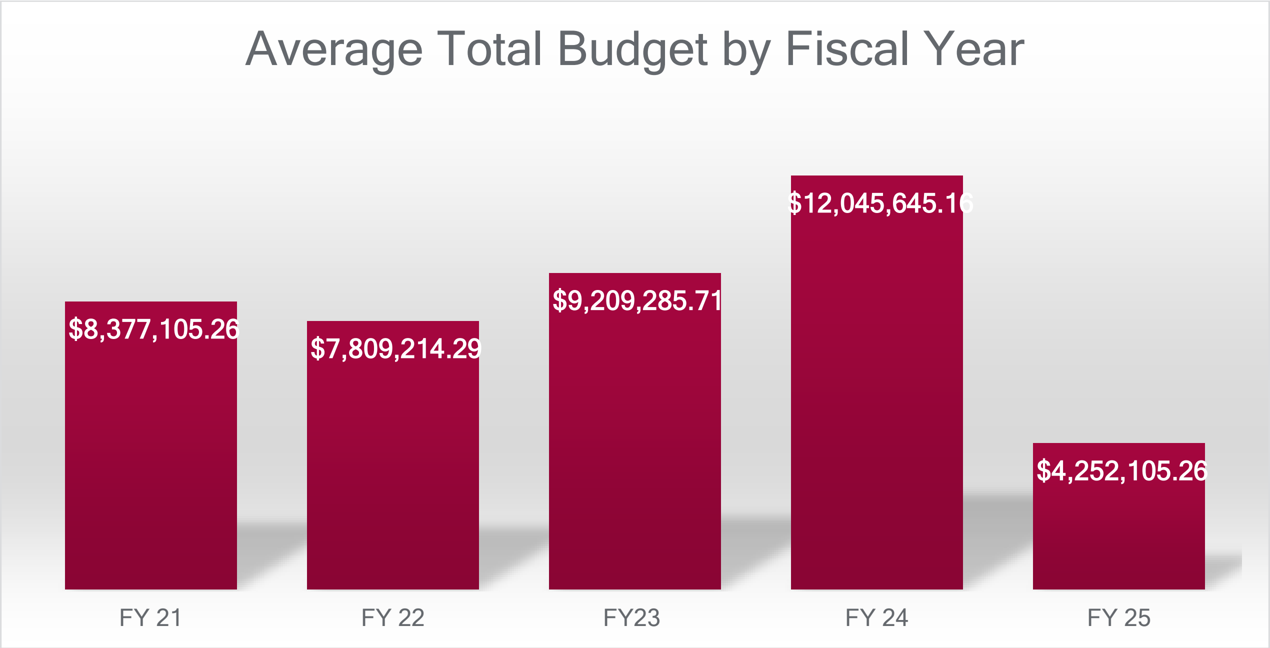
Production activity has grown significantly since the implementation of the film tax credit in New Mexico. The below chart shows direct spend in New Mexico by film productions since 2003. While FY20 spending was partially interrupted by the COVID-19 pandemic, the continued growth in FY21 and FY22 shows a rapid rebound. However In the most recent fiscal year (FY25) New Mexico observed a drop in production spend to $323 million. This was primarily due to the slowing global trends, as well as the residual effects from the WGA and SAG-AFTRA strikes.



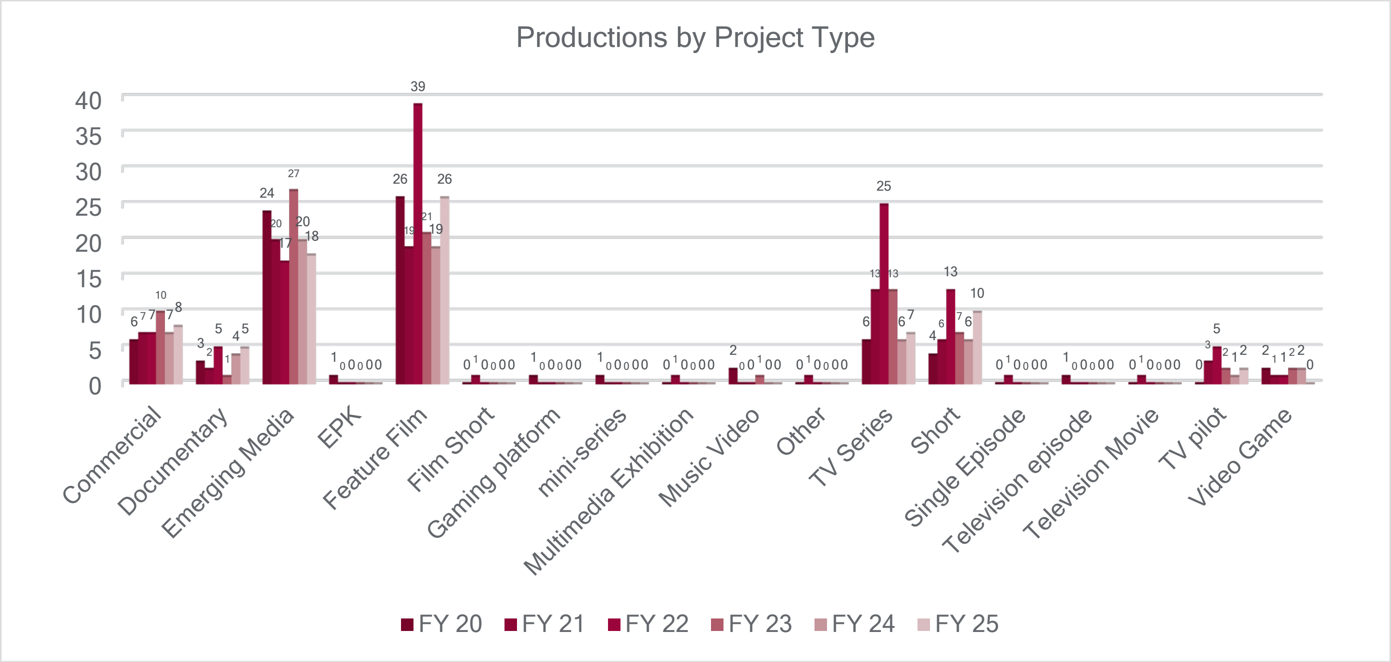
PROJECTS

The number of productions accessing New Mexico's film incentive program has fluctuated in recent years. After 76 productions in FY21, activity rose to a peak of 112 in FY22 before dropping to 84 in FY23, largely due to the industry-wide strikes that year. FY24 saw a further dip to 62 productions, but numbers have begun to recover in FY25 with 76 productions. Despite these shifts, the average total budget per project has shown notable variability. In FY21, the average budget was approximately $8.4 million, dropping slightly to $7.8 million in FY22, then increasing to $9.2 million in FY23. FY24 saw a sharp rise to over $12 million per project, suggesting the presence of higher-budget productions during that year. However, FY25 reflects a significant decrease in average budget to $4.25 million, which indicates a greater share of smaller-scale or independent projects. Overall, while the total number of productions has varied, the data reflects New Mexico's continued relevance as a production destination, particularly for higher-budget projects when industry conditions are favorable. New Mexico having no minimum spend requirement allows smaller budget independent projects to still thrive here in the state even in times of larger budget production slumps.


Number of Productions
76
112
84
62
76
FY 21
FY 22
FY 23
FY 24
FY 25


Average Total Budget by Fiscal Year
$8,377,105.26
$7,809,214.29
$9,209,285.71
$12,045,645.16
$4,252,105.26
FY 21
FY 22
FY23
FY 24
FY 25

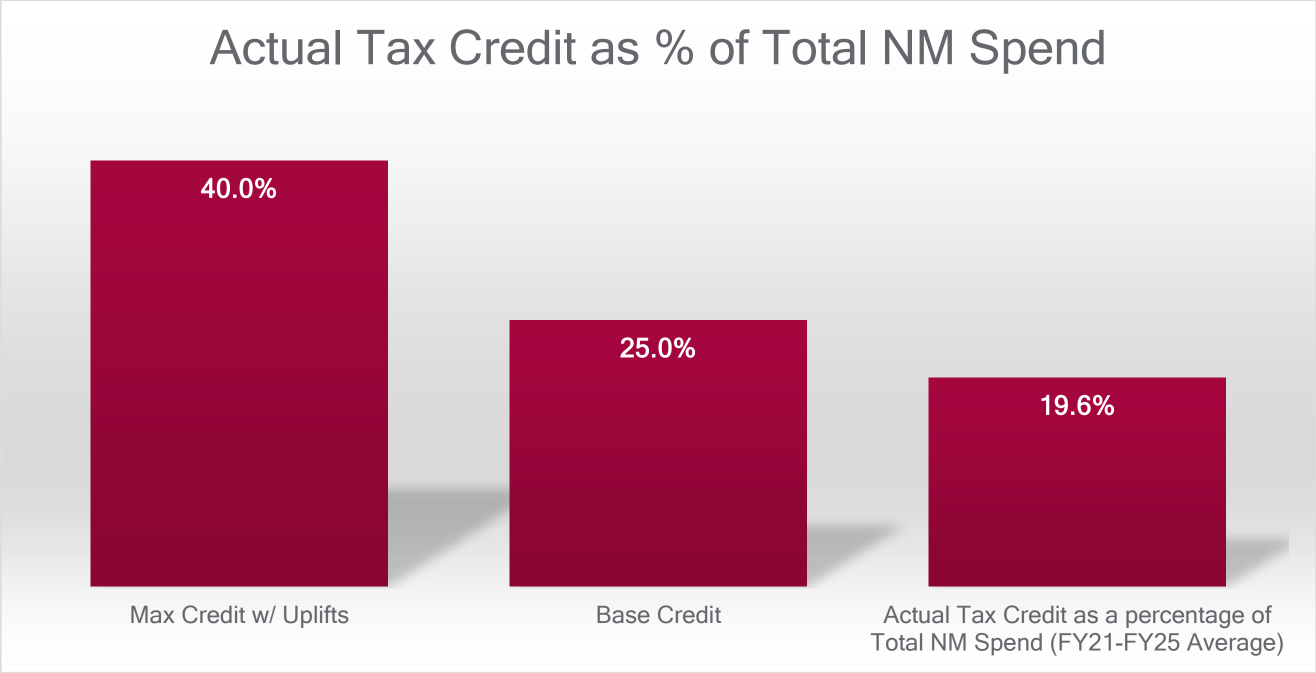
The Productions by project type chart shown below provides a more detailed picture of the types of productions filming in New Mexico, as well as the more specific trends.



Credit Use

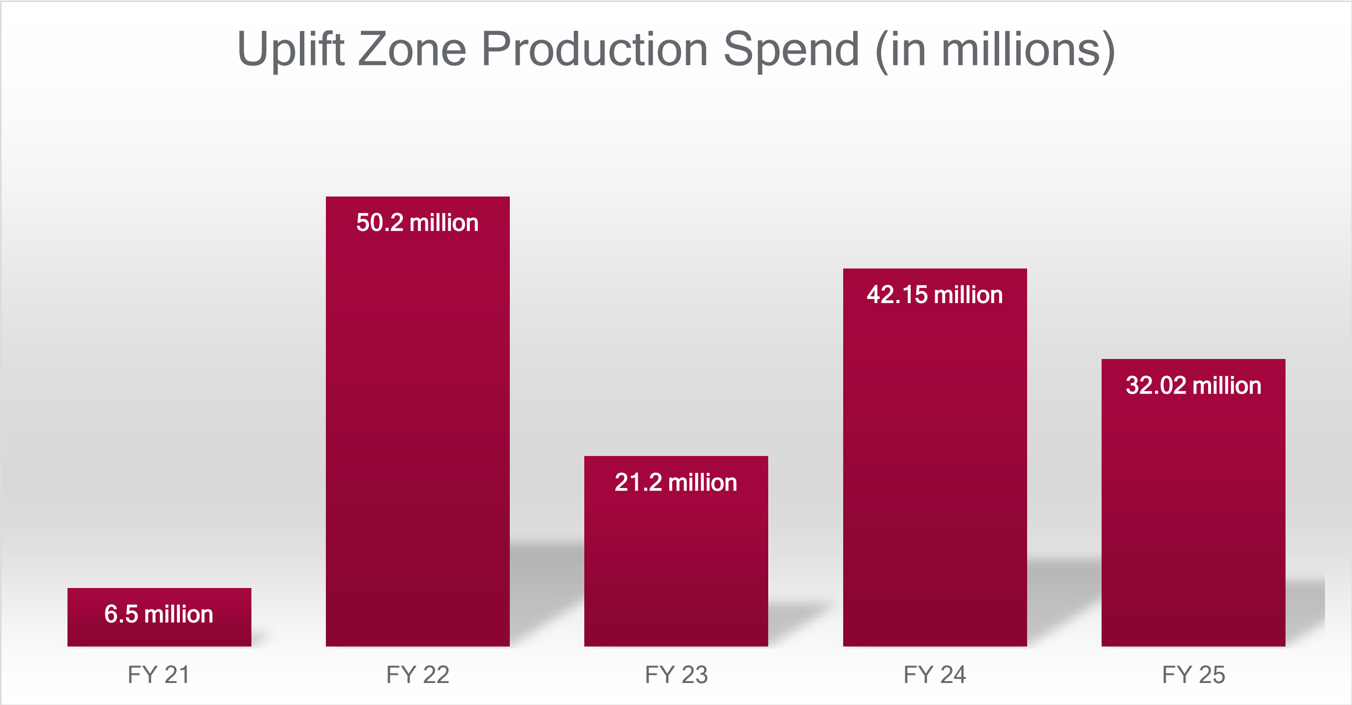
The incentive provides a credit of 25% of eligible production expenditure. This can be topped up by an uplift of 10% for rural expenditure and 5% with spend on a pilot/tv series and utilizing an eligible production facility. These uplifts are stackable to a maximum rate of 40% (with the exception of stacking the pilot/tv series uplift and the QPF uplift).

While $3.35 billion in production spend occurred over the five observed years, as not all of this was qualified spend per the Taxation and Revenue Department, comparing the estimated tax credits paid to the total New Mexico production spend, we observed that over FY21 through FY25 the four-year average of the actual tax credit as a percentage of total New Mexico production spend was 19.6%.



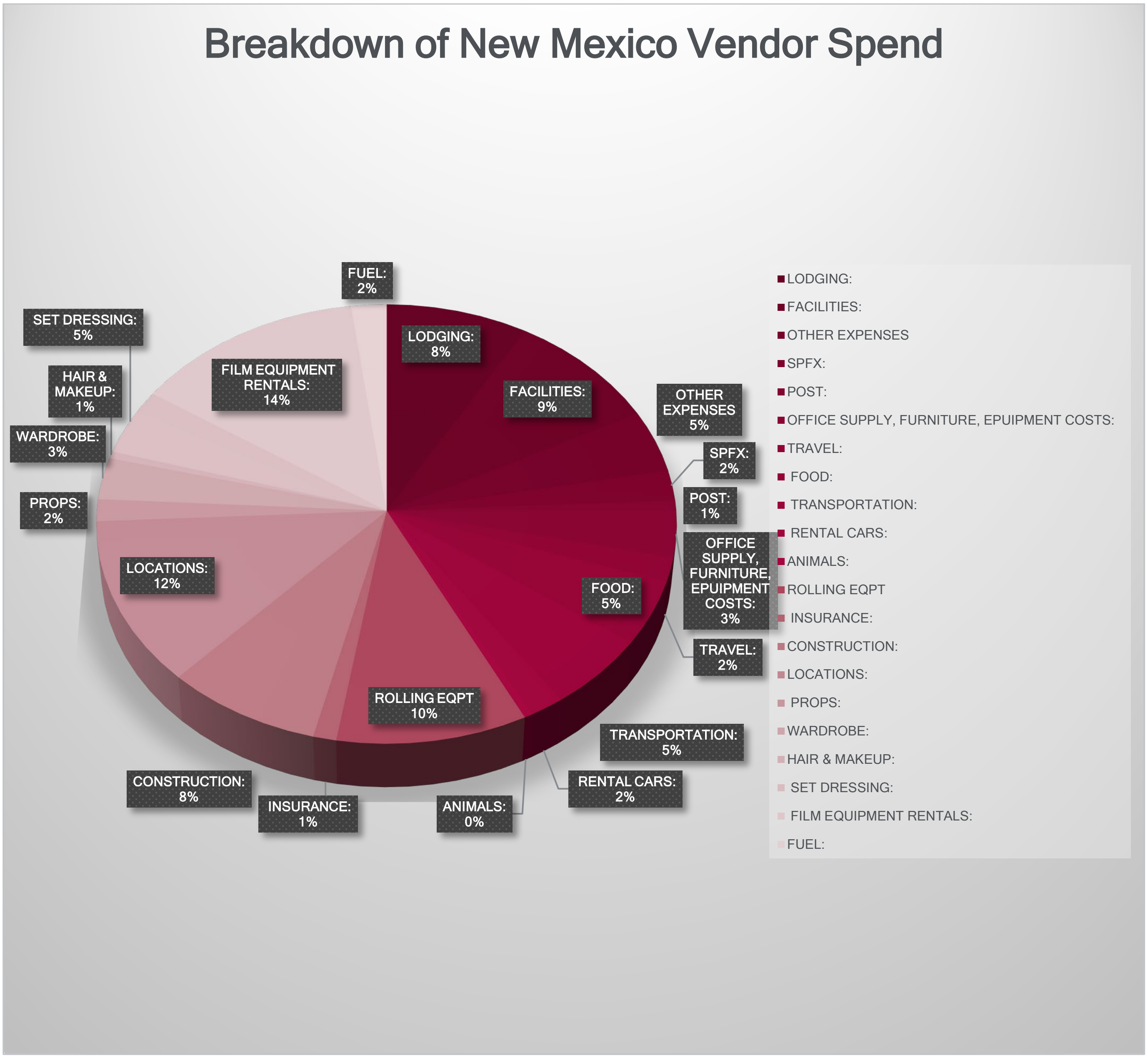
Uplift Zone (Rural) Activity

Uplift Zone spend is defined as spend undertaken 60 miles outside of the city halls of Santa Fe and Albuquerque. The 10% uplift in credit amount aims to encourage more filming and production outside Albuquerque and Santa Fe to spread the economic impact of production across New Mexico. New Mexico has seen unprecedented production spend in the uplift zone, with $4.5 million in FY20, to $6.5 million in FY21, up to a new record of $50.2 million in FY22. In FY23 it is estimated that a further $21.2 million was spent in the uplift zone with another $42.15 million in FY24 and $32 million in FY25, despite being heavily impacted by the WGA and SAG-AFTRA strikes and the overall global downturn. With the recent update to the uplift zone boundary, now being more inclusive of additional small towns and tribal lands and pueblos, in addition to an increase from a 5% uplift to a 10% uplift for the uplift zone, it is expected that New Mexico will see continued growth in this area.



ECONOMIC IMPACT OF PRODUCTION AND THE TAX CREDIT

Production budgets in New Mexico involve purchases and payments to a wide variety of industries and individuals. The figure below outlines how direct production expenditure is spent in the local economy. This breakdown illustrates how film industry expenditures are distributed across various vendor categories in the state. The largest portions of spend are on Film Equipment Rentals (14%), Locations (12%), and Rolling Equipment (10%), reflecting the industry's high demand for technical resources and on-site shooting spaces. Facilities (9%) and Construction (8%) also represent significant shares, supporting infrastructure needs. Other notable expenses include Lodging (8%), Food (5%), Transportation (5%), and Set Dressing (5%), which highlight the logistical and aesthetic components of production. Smaller categories such as Hair & Makeup (1%), Insurance (1%), and Animals (0.5%) round out the budget, illustrating a wide range of services contributing to New Mexico's film economy. This breakdown underscores the industry's diverse local impact and the various sectors that benefit from production activity in the state.


Breakdown of New Mexico Vendor Spend
FUEL: 2%
SET DRESSING: 5%
LODGING: 8%
FILM EQUIPMENT RENTALS: 14%
HAIR & MAKEUP: 1%
FACILITIES: 9%
OTHER EXPENSES 5%
WARDROBE: 3%
SPFX: 2%
POST: 1%
PROPS: 2%
OFFICE SUPPLY, FURNITURE, EPUIPMENT COSTS: 3%
LOCATIONS: 12%
FOOD: 5%
TRAVEL: 2%
ROLLING EQPT 10%
TRANSPORTATION: 5%
CONSTRUCTION: 8%
RENTAL CARS: 2%
INSURANCE: 1%
ANIMALS: 0%
LODGING:
FACILITIES:
OTHER EXPENSES
SPFX:
POST:
OFFICE SUPPLY, FURNITURE, EPUIPMENT COSTS:
TRAVEL:
FOOD:
TRANSPORTATION:
RENTAL CARS:
ANIMALS:
ROLLING EQPT
INSURANCE:
CONSTRUCTION:
LOCATIONS:
PROPS:
WARDROBE:
HAIR & MAKEUP:
SET DRESSING:
FILM EQUIPMENT RENTALS:
FUEL:

Overview of Methodology

The approach uses production expenditure data collected from companies as part of the registration and application process for the New Mexico Film Tax Credit Program. Data on cast and crew and hours worked is also collected, allowing for a direct estimate of FTEs to be determined.

The total economic impact of the incentive is the sum of the direct, indirect and induced effects:

Direct impacts are the economic uplift in terms of output and value created (GVA) within the film and television sector resulting from the increase in production and postproduction expenditure.

Indirect impacts are the output and value created (GVA) effects observed in sectors that supply goods and services into the film and television production sector.

Induced impacts are the output and value created (GVA) uplift created as a result of the wage effects of those working in the production sector.

To calculate the direct GVA and all indirect impacts, IMPLAN economic modelling software has been used.

Additionality

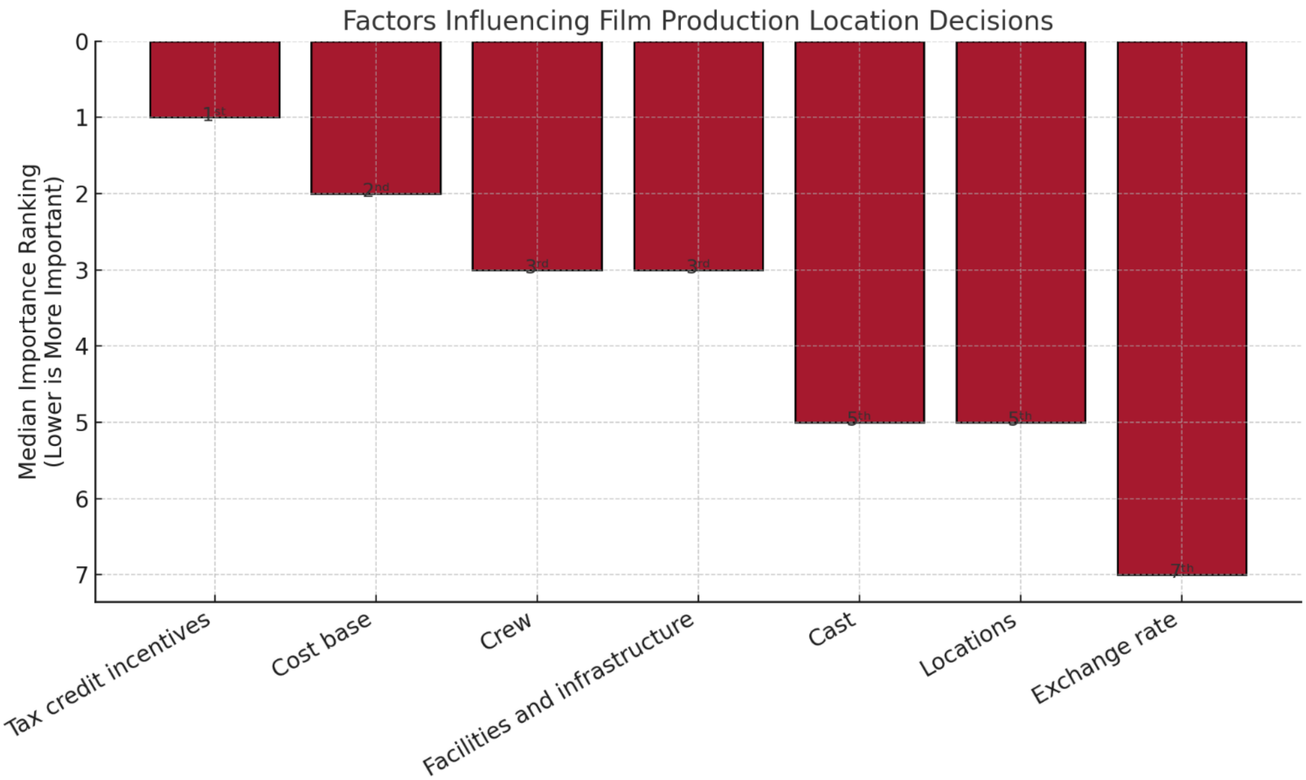
Additionality refers to the degree to which a particular outcome in this case, production expenditure can be directly attributed to a specific intervention, namely, New Mexico's film production incentive. To assess this, a survey was distributed to all applicants of the incentive program to understand what their production decisions might have been without it. Seventeen companies responded, representing approximately 30% of recipients. While not fully representative of the entire group, the results are considered indicative, especially as they align closely with qualitative insights gathered from confidential consultations. This survey was conducted by Olsberg SPI in 2022.

The findings show strong evidence that the incentive is a major driver of production activity in New Mexico. When asked to rank the importance of six key factors influencing their decision to film in the state, 70% of respondents ranked the tax credit as the most important factor. The chart below summarizes the prioritization of these factors.

When asked how much of their production would have taken place in New Mexico without the incentive, the median response was zero, suggesting no production activity would occur in the absence of the credit. Notably, all out-of-state companies reported that none of their production would have happened in New Mexico without it. While the average (mean) response was 8%, this figure is skewed upward by just three companies that indicated any level of production might still occur without the incentive.

As a result, the additionality of the tax credit is estimated to be between 92% and 100%, meaning that the vast majority of in-state production expenditure is directly attributable to the incentive. Given the distribution of responses, the true impact likely falls at the higher end of this range. Nonetheless, a conservative estimate of 92% additionality was used in the broader economic impact analysis to ensure robustness.

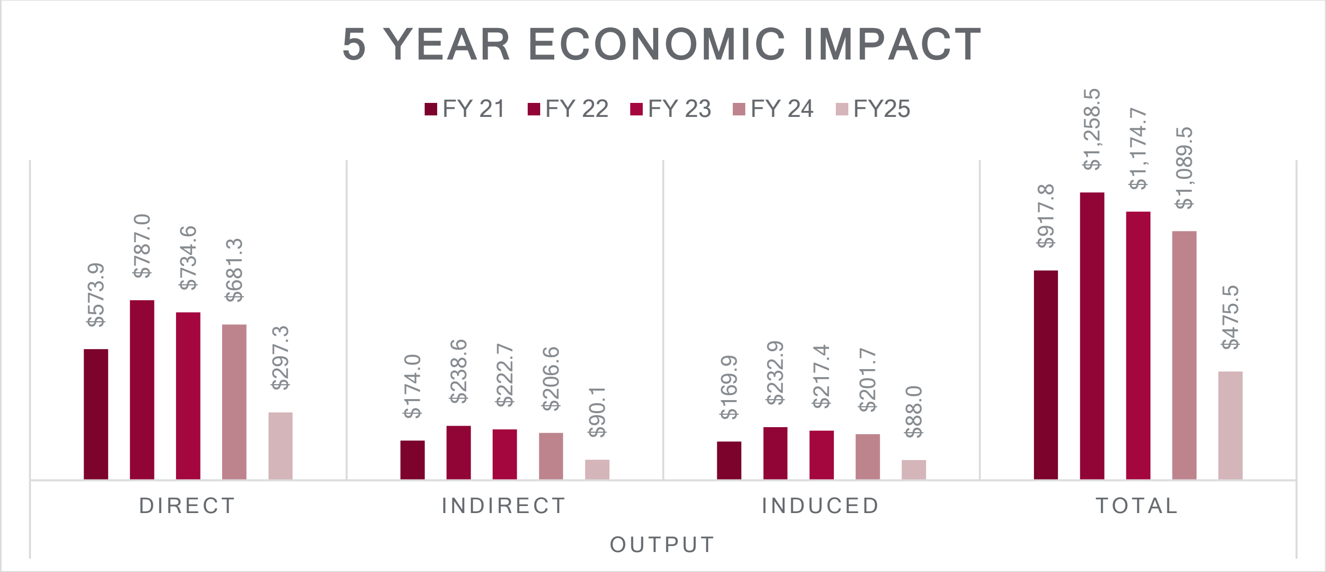
In stakeholder consultations, California and Georgia were frequently cited as competing alternatives, due to their geographic proximity, well-established infrastructure, experienced crews, and attractive incentive programs.



Output

Between FY21 and FY25 there was a combined direct output associated with the film tax credit in New Mexico of $3.07 billion. When indirect and induced effects are added to this, the total output attributed to the credit over these five years is $4.9 billion.

		FY 21	FY 22	FY 23	FY 24	FY25	Sum
Output (in millions)	Direct	$573.9	$787.0	$734.6	$681.3	$297.3	$3,074.1
	Indirect	$174.0	$238.6	$222.7	$206.6	$90.1	$932.1
	Induced	$169.9	$232.9	$217.4	$201.7	$88.0	$909.9
	Total	$917.8	$1,258.5	$1,174.7	$1,089.5	$475.5	$4,916.0

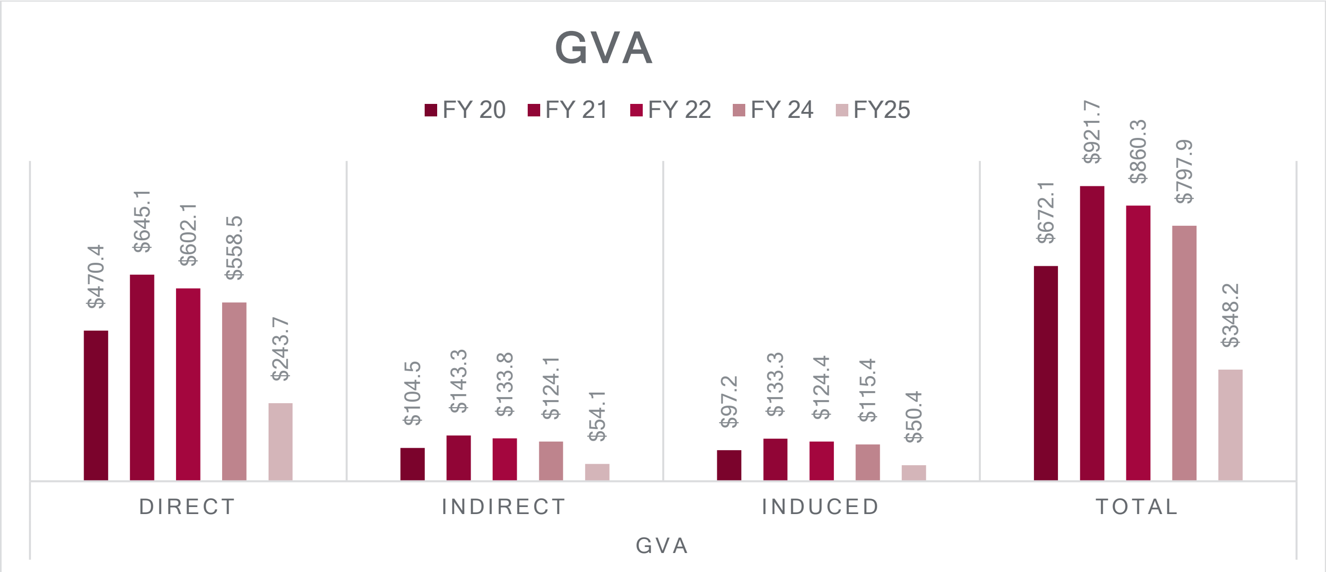


Gross Value Added

GVA is a measure of the value that is created by economic activity. It is the difference between gross output and intermediate inputs. These are the goods and services utilized by an industry in producing its gross output. GVA represents the value of labor and capital used in producing gross output. The sum of value added across all industries is equal to gross domestic product for the economy.

Using the IMPLAN economic model for FY21 through FY25 shows the total GVA created by the tax credits was $3.6 billion, including $2.5 billion in direct GVA.

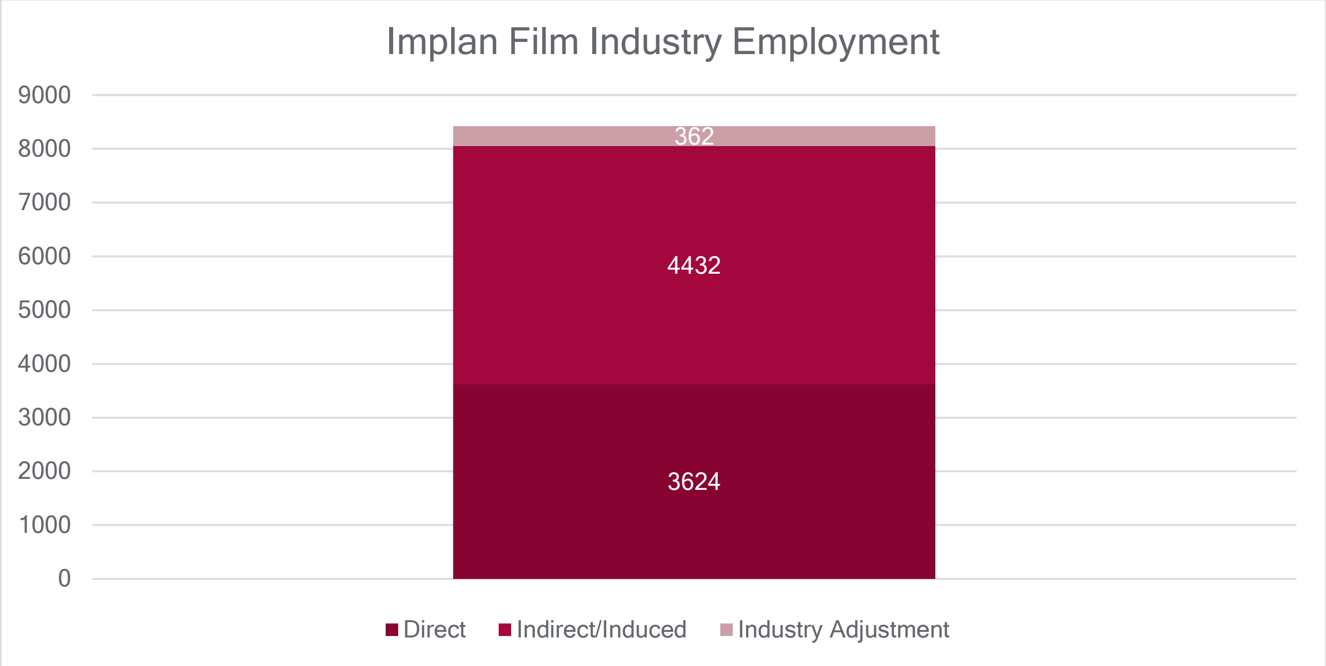
		FY 21	FY 22	FY 23	FY 24	FY25	Sum
GVA (in millions)	Direct	$470.4	$645.1	$602.1	$558.5	$243.7	$2,519.8
	Indirect	$104.5	$143.3	$133.8	$124.1	$54.1	$559.7
	Induced	$97.2	$133.3	$124.4	$115.4	$50.4	$520.6
	Total	$672.1	$921.7	$860.3	$797.9	$348.2	$3,600.2



Employment

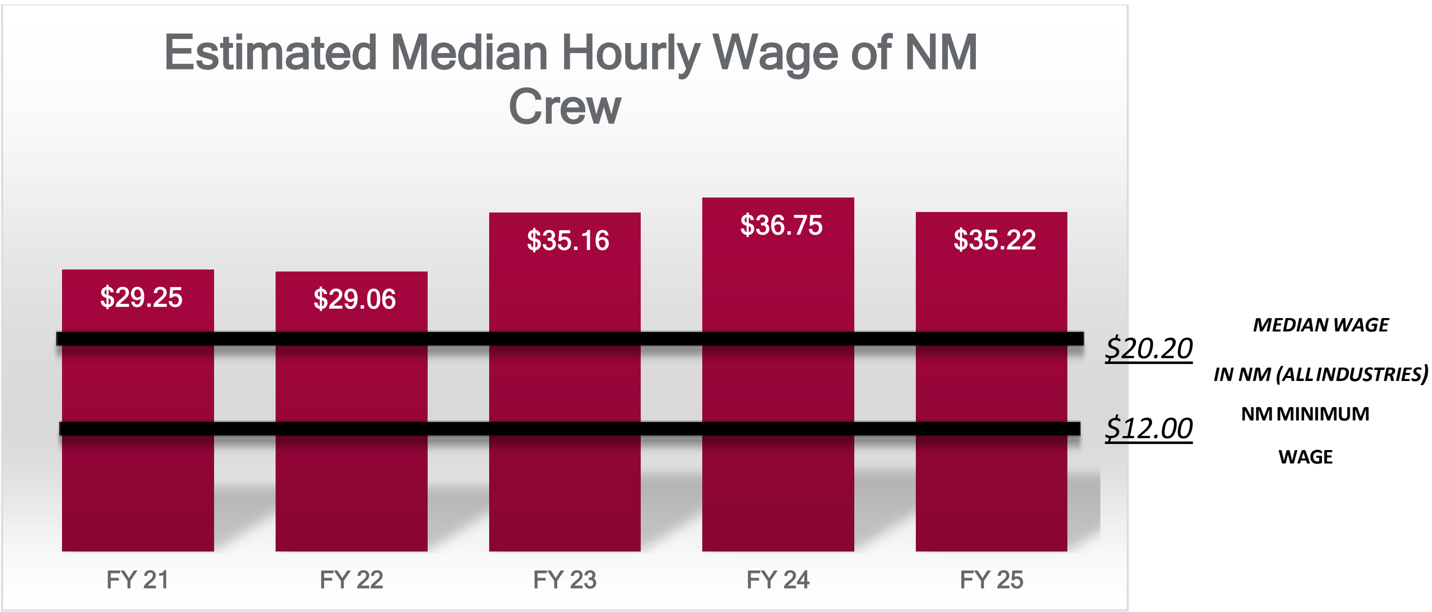
New Mexico Film Industry Employment (with industry adjustment)	
Direct	3,624
Indirect/induced	4,432
Industry adjustment	362
Total	**8,418**

The Economic Development Department's analysis for film industry employment uses the IMPLAN model for multipliers as well as a direct jobs estimate from the Quarterly Census of Employment and Wages for industry code 512 Motion Picture and Sound Recording Industries. Using this model gives a type one multiplier of 1.86 and a type two multiplier of 2.22. This means that the indirect employment of 3,118 equals 86% of the direct employment, and the indirect plus the induced (1,314) employment equals 122% of the direct employment. Film production is a wide-reaching industry utilizing many sub sectors, such as security, traffic control, child tutoring, as well as others. The additional 10% industry adjustment is there to capture those who are not captured by the NAICS codes that IMPLAN is using, as they file a 1099 and are contract employees. Due to the complex and unique nature of this industry, much of the employment falls under contractual employment and therefore cannot always be easily captured by traditional measures via the corresponding NAICS code. When a film employment fills a 1099 this isn't observed by Workforce Solutions and therefore not captured under NAICS. The current 10% industry adjustment is an assumption to capture this difference; however, further study is currently being undertaken to improve this metric.



Membership data provided by IASTE 480 shows consistent growth as well. Currently membership has grown to 1,911 members with a further approximately 1540 on their overflow list. This represents growth of 31% since 2020. A similar trend has also been observed in membership data provided by Teamsters 399, representing drivers, wranglers, and other crew member positions with approximate membership of 400 in New Mexico, a 17% increase from membership data provided in 2021.

Wages



This industry continues to provide high paying wages as can be seen in the chart above. In FY25 the median hourly wage for full time New Mexico crew members was $35.22 per hour. As a comparison the median wage in NM for all industry was $20.20 per hour, and the New Mexico minimum wage as of 2022 is $12 per hour.

FILM TOURISM

Film and television productions have become powerful tools for tourism marketing, with “film tourism” emerging as a significant driver of visitor interest and economic impact. When a location is prominently featured in popular media, it can attract fans from around the world, translating into real tourism revenue for the region.

New Mexico has gained global recognition as a filming destination, particularly through the success of the acclaimed television series *Breaking Bad* (2008–2013) and its prequel *Better Call Saul* (2015–2022). Both series were primarily filmed in Albuquerque and Santa Fe, helping to put these cities on the map for international visitors.

In response to growing fan interest, Visit Albuquerque launched a dedicated website highlighting filming locations from *Breaking Bad*, offering interactive maps, merchandise, and themed attractions. Local businesses have embraced the trend. Twisters, the filming location for the fictional Los Pollos Hermanos restaurant, reportedly welcomed 30–40 *Breaking Bad* fans daily before the COVID-19 pandemic. This interest has only grown with the ongoing popularity of *Better Call Saul*.

Several themed tours have also been created to guide fans through key filming locations. One of the most notable is The BaD Tour by ABQ Trolley Co., which offered a multimedia trolley experience. Another provider, The Breaking Bad Tour, covers 20–30 sites and still attracts an average of 20 participants per tour, about a third of whom are international visitors.

Launched in July 2012, the BaD Tour evolved from ABQ Trolley Co.’s original “TrolleyWood Tour,” which featured a broader set of filming locations. Due to overwhelming interest in *Breaking Bad*, the tour was redesigned to focus solely on the series, with curated audio clips and scenes played at each stop.

Co-founders Jesse Herron and Mike Silva emphasized community and sustainability in their operations. They collaborated with local residents and businesses to minimize disruption and promote local establishments along the route. The tour was also supported by the Albuquerque Convention and Visitor Bureau and the Albuquerque Film Office.

The BaD Tour became a major success. Even after the show ended in 2013, the 34-seat tour regularly sold out and was often booked months in advance. Between 2012 and 2019, it served 3,837 customers over 169 tours. It received national media attention from outlets such as the *LA Times* and *Washington Post*, and drew visitors from both the U.S. and abroad, including the UK and China.

A survey by Olsberg SPI of 32 former BaD Tour customers was conducted to gauge the role of the series in their decision to visit. Of the 16 respondents from outside New Mexico or the U.S., 44% said *Breaking Bad* was a main reason for their trip, and 19% said it was the only reason they visited. Among the 20 visitors from outside Albuquerque, 25% said they would not have visited without the series.

Tour participants also contributed significantly to the local economy. Among out-of-state respondents who cited *Breaking Bad* as a main or sole reason for their visit, the average group spend was **$1,405**, broken down as follows:

- **$785** on accommodation

- **$275** on hospitality (restaurants, bars, cafes)
- **$237.50** on transportation
- **$107.50** on souvenirs

In addition to the economic benefits, these visitors were highly satisfied, with a Net Promoter Score of 50, indicating strong word-of-mouth promotion for Albuquerque.

More recently, the production Oppenheimer has had a significant impact on tourism brough to Los Alamos. According to the Los Alamos Commerce and Development Corporation (LACDC) visitation is up around 60% at the Los Alamos Visitor Center. The Bradbury Science Museum, Los Alamos History Museum, Manhattan Project National Historical Park Visitor Center (MAPR) and the Los Alamos Nature Center have all seen similar upticks in visitation since the release of Oppenheimer. Los Alamos County also created “Project Oppenheimer” and “Team Oppie” campaigns to help increase tourism in connection with the film before it’s release.

Opportunities for Filming in New Mexico

Many industry stakeholders described New Mexico as a highly *film-friendly* state. This reputation is attributed to a combination of relatively low living and production costs, alongside the state’s competitive and reliable tax credit program.

Numerous consultees specifically highlighted New Mexico’s *low cost base* as a key advantage. Lower living expenses and more affordable labor and production costs have attracted both technical crew and administrative staff from higher-cost areas like Los Angeles and neighboring states. For long-term television projects, some professionals have even relocated their families to New Mexico. Others choose to commute weekly, particularly from Los Angeles, which offers direct flights to Albuquerque and Santa Fe in under two hours. While other production hubs are seeing sharp increases in housing and rental prices, New Mexico continues to be viewed as a cost-effective and high-value alternative.

Stakeholders also praised the New Mexico Film Office (NMFO) for its *commitment to supporting productions*, particularly during disruptions. A frequently cited example was NMFO’s efforts to process and honor a backlog of tax credit applications. This demonstrated reliability gave production companies and their accountants confidence in the long-term stability of the incentive program, encouraging them to remain in-state.

Most producers and production companies that received support expressed strong satisfaction with the *administration and terms of the tax credit*. Many described it as a critical factor in the success of their projects, especially when compared to incentive programs in other states. This aligns with the high additionality findings documented in this report.

Public officials noted their goal is to provide a *measured and sustainable incentive program*, one that attracts consistent demand within the state’s current infrastructure capacity, rather than overwhelming it with overly aggressive offers.

Workforce Capacity and Development

New Mexico's film and television industry is growing rapidly, but this growth has outpaced the current size of the in-state workforce. There is strong demand for skilled professionals across all levels and roles, and while there is a solid base of local crew, many are already committed to ongoing projects or may not yet have the specific experience required for certain positions. Despite these challenges, producers consistently express a strong commitment to hiring locally and helping develop in-state talent. However, due to production timelines and capacity constraints, crews are often supplemented with professionals from out of state—typically Los Angeles—though this can be more costly and may not always qualify for full credit reimbursement.

Retention of crew remains a key focus area. While many experienced technical professionals have relocated to New Mexico or started families in the state, some express concerns about long-term living arrangements in certain areas. Continued investment in community development and workforce pathways can help alleviate these concerns over time.

There are promising initiatives underway to address these gaps. The **New Mexico Media Arts Collective** is positioned to play a major role in accelerating the development of a local workforce. In collaboration with the NMEDD, HED, IATSE, Film Partners, and 16 New Mexico post-secondary film and media programs, the Collective is creating a pipeline into high-demand, well-paying jobs, offering career advancement opportunities both below and above the line.

The **Film Crew Advancement Program (FCAP)** has already demonstrated impact by helping local crew members move up within departments into more senior and higher-paying roles. This is a clear example of how targeted training and on-the-job experience can produce measurable benefits for individuals and productions alike.

That said, there is still room to enhance the program's effectiveness. Some consultees noted that awareness of FCAP, its benefits, processes, and eligibility is still limited among certain productions, particularly those new to New Mexico. Increasing outreach and education around the program could help boost participation and impact.

There were also a few administrative challenges raised regarding FCAP's application process. Productions must register crew members several weeks before principal photography begins, a time when schedules and staffing needs can still be fluid. As production accountants often handle FCAP paperwork but may not have detailed knowledge of individual crew dynamics, this requirement can introduce uncertainty. In some cases, a crew member registered for training was later found to have already been claimed under FCAP in a prior production, affecting rebate expectations. Improving tracking tools and communication around crew eligibility could help ensure producers receive the full value of the program.

Overall, New Mexico's commitment to workforce development is clear, and with continued investment, outreach, and refinement of existing programs, the state is well-positioned to build a sustainable, homegrown talent base to meet the increasing demand of its expanding film and television industry.

Production Infrastructure and Logistics

New Mexico's production infrastructure has seen steady growth, and stakeholders are optimistic about its continued expansion. While there is ongoing demand for more high-quality production spaces, particularly soundstages and post-production facilities. This is a sign of the state's growing popularity as a production hub. Productions of all sizes are increasingly choosing New Mexico, and this demand is driving momentum for future infrastructure investment.

Smaller production companies, in particular, have expressed enthusiasm about the potential of the Film Partners program to deliver new capital projects that will expand available production space and capacity across the state. This program is seen as a key opportunity to support the next phase of industry growth and to give more local and visiting productions the space they need to thrive.

Longtime producers and public officials have also observed a *positive transformation* in New Mexico's broader ecosystem for production. Over the years, supporting infrastructure such as restaurants, bars, shops, and cinemas have expanded significantly. This growth is fueled by the increased economic activity from productions and the higher wages of crew members and talent brought into the state. These improvements have helped regenerate neighborhoods, particularly in Albuquerque, and enhanced the overall appeal of New Mexico as a place to work and live.

While some producers noted that access to high-quality, affordable equipment rentals can still pose challenges, there is confidence that this too will improve with continued industry growth. Currently, equipment is often flown in from major hubs like Los Angeles, which, while logistically manageable, limits eligibility for tax credit reimbursements. Expanding local vendor capacity in this area presents a clear opportunity to keep more production spending in-state and to further strengthen New Mexico's self-sufficiency as a film destination.

Overall, the foundations are strong and the outlook is bright. With ongoing investment, strategic partnerships, and increased local capacity, New Mexico is well on its way to becoming one of the premier production centers in the country.

Artificial Intelligence Future Risks

As artificial intelligence (AI) technologies rapidly evolve, their potential impacts on regional film economies, including New Mexico's, are becoming increasingly significant. From virtual production techniques and scriptwriting tools to post-production automation and synthetic actors, AI is reshaping how content is developed, produced, and distributed.

New Mexico's film industry, which has grown substantially over the past two decades due to its competitive tax incentive program, diverse landscapes, and skilled local workforce, stands at a crossroads. While AI offers opportunities to streamline production and reduce costs, it also presents challenges that could impact job creation, union labor, and long-term economic benefits the state currently enjoys.

AI may expand production capabilities in the state by enabling faster turnaround times and reducing dependence on large physical sets. Virtual production stages using AI-driven environments, already in use by major studios, could find a foothold in New Mexico, enhancing the state's appeal as a full-service production hub. Additionally, AI-assisted tools for editing, color correction, and visual effects may allow smaller crews and independent filmmakers in the state to produce higher-quality content at lower costs, potentially fostering more local creative projects.

At the same time, the automation of traditional labor-intensive tasks may reduce demand for certain roles in the local workforce. AI-generated background actors, voice synthesis, and automated scripting tools could diminish the number of jobs for performers, editors, and writers, many of whom are New Mexico residents or union workers. This may weaken the economic ripple effects the state has come to rely on through film and television production, particularly in rural communities.

Furthermore, if major studios increasingly rely on AI to centralize production workflows, such as remote collaboration tools or AI-generated locations, New Mexico could see a decline in physical, location-based shoots that have historically been one of its strengths.

To prepare for this transition, New Mexico may benefit from targeted investments in AI literacy and training programs for film professionals, ensuring the local workforce can adapt to emerging roles that require AI fluency. Additionally, policy discussions around labor protections, ethical AI use, and the state’s incentive structures will be necessary to maintain competitiveness while supporting sustainable employment and creative opportunity.

As the industry grapples with how to regulate and integrate AI, New Mexico has an opportunity to lead by proactively modernizing its production ecosystem and supporting a hybrid workforce that balances innovation with equity.

Uplift Zone

New Mexico’s Uplift Zone incentive continues to play a vital role in expanding production activity beyond Albuquerque and into other parts of the state. While Albuquerque remains the primary hub for film and television production, the increased 10% tax credit for productions filming in designated uplift zones is helping to stimulate economic growth in surrounding communities.

This strategic incentive is already showing promise in encouraging more geographically diverse filming locations and drawing talent and investment into regions that may not have previously benefited as directly from the industry. As awareness of the uplift grows and more infrastructure develops across the state, the potential for broader, statewide impact is significant.

Other Uplifts

Several targeted uplift incentives are helping to make New Mexico an even more attractive destination for a wide range of productions:

- Television Pilot Uplift: Offering an additional 5% tax credit, this incentive supports the development of standalone TV pilots, often the most high-risk part of series production. By encouraging these early-stage projects to begin in New Mexico, the state is well-positioned to secure long-term economic benefits if a full series is commissioned. While the use of pilots has evolved in recent years, ongoing evaluation of this uplift ensures it remains aligned with industry trends and continues to offer meaningful value.
- Qualified Production Facility Uplift: An additional 5% credit is also available for productions using eligible soundstages or standing sets that meet specific criteria. This uplift promotes the

use of professional, purpose-built facilities within the state and helps raise production quality. Though it cannot be combined with the series or pilot uplifts, it stands as an important tool in strengthening New Mexico's studio infrastructure and encouraging long-term investment in local production spaces.

Together, these uplifts enhance New Mexico's appeal as a competitive, production-friendly location, while supporting industry sustainability and job creation.

Cultural Impact Potential

The rise of global streaming platforms has opened the door to a wider variety of stories, voices, and perspectives. This presents a unique opportunity for states like New Mexico to showcase their rich cultural heritage and diverse communities to a worldwide audience.

While New Mexico's film incentive program already plays a key role in workforce development and economic growth, there is growing interest in using the credit to further promote local stories and underrepresented voices. Many incentive programs around the world are now incorporating cultural objectives, supporting productions that reflect the identity, traditions, and diversity of their people.

New Mexico is well-positioned to take a leadership role in this space. By continuing to foster authentic storytelling and supporting content that highlights the state's unique landscapes, cultures, and histories, the incentive can not only build economic value, but cultural legacy as well.

Summary

This year's report reflects a challenging period for the film and television industry globally, with overall production volumes declining due to a combination of economic pressures, labor disruptions, and shifting content strategies by major studios and streamers. New Mexico, like many jurisdictions, experienced a slowdown in activity as a result. However, the underlying strength of the state's film and television production ecosystem remains evident, and, in many ways, uniquely resilient.

Over the past five fiscal years, New Mexico's film and television tax credit has continued to deliver measurable economic value to the state. Despite the broader industry downturn, the state's incentive program helped maintain production activity, support local jobs, and sustain infrastructure investments during a difficult period. Key elements of New Mexico's offer, such as the Film Partner program and the Qualified Production Facility uplift remain compelling to producers and have supported long-term strategic commitments that provide a strong foundation for future growth.

New Mexico's production-friendly environment, competitive tax credit, and relatively low costs continue to position it favorably as the industry recovers. Stakeholder feedback consistently emphasized the state's appeal in terms of cost-effectiveness, quality of life, and institutional support through the New Mexico Film Office.

At the same time, several structural challenges continue to require attention, particularly the ongoing shortage of skilled crew. The limited availability of experienced workers at all levels has, in some cases, constrained the ability of productions to scale efficiently. This issue is compounded by crew retention concerns and the concentration of workforce in Albuquerque, limiting the reach of production opportunities across the state.

Efforts to address this are underway. The New Mexico Media Arts Collective and the Film Crew Advancement Program (FCAP) are helping to build pathways for in-state talent to access high-paying, in-demand roles. There is evidence of meaningful progression, especially among below-the-line crew. However, awareness, clarity, and administrative efficiency of programs like FCAP could be improved. More transparency around eligibility, clearer training frameworks, and streamlined application processes would help maximize the impact of these initiatives.

The state's commitment to equity and statewide distribution of benefits is also becoming more apparent. The expansion of the Uplift Zone to a 10% incentive is beginning to generate increased activity in rural areas, and its long-term impact is likely to be significant if paired with infrastructure and workforce investments in those regions.

Additionally, film tourism remains an underutilized opportunity. Productions like *Breaking Bad* and *Better Call Saul* have generated strong international fan engagement, and tours, merchandise, and local business activity tied to these shows continue to benefit the state. A more coordinated, strategic approach to film tourism, potentially involving dedicated partnerships, infrastructure development, and IP-sensitive attractions, could unlock new, long-term value.

Looking ahead, New Mexico remains well positioned to recover quickly and take advantage of future upswings in global production. By continuing to refine its incentive programs, strengthen its workforce pipeline, and invest in both infrastructure and cultural strategy, the state can reinforce its place as a leading U.S. production hub, offering both economic return and cultural impact.

Appendix

Analysis of production and post-production (eligible) expenditure (Gross direct effects)
To determine the gross direct effects, we used the following data:
- Total amount of production and post-production expenditure ('tax credit qualifying spend') by year.
- Estimated total expenditure (inclusive of non-qualifying spend) from the stats form.
- Total value of tax credits issued by year.

Leakage and commuting
Leakage is the economic activity that occurs outside the target geography – in this case outside New Mexico. The production expenditure counted in gross direct effects is spending on goods and services in New Mexico and payroll costs.
This EIA focuses on the economic impact in New Mexico. Therefore, this model includes all payroll costs for those working in New Mexico and paying taxes in the state. This includes eligible payment for non-resident performing artists (for whom production companies deducts and remits income tax). This direct economic activity is happening within the state, regardless of where the workers live. As there is limited day commuting into New Mexico by cast and crew, we treat non-resident cast and crew as temporary New Mexican residents.

Displacement
Displacement is the proportion of impacts offset by a reduction in activity elsewhere within the state. This is assumed to be small as the film production is a truly global sector and firms are unlikely to be competing with other New Mexico based firms.

Substitution
Substitution is the effect where a firm substitutes one activity for a similar one to make the most of the subsidies. We assume this is minimized by the tax credit only covering a proportion of production costs.

Indirect and induced impacts
The total economic impact of the incentive is the sum of the direct, indirect and induced effects.
• **Direct impacts** are the economic uplift in terms of output and value created (GVA) within the film and television sector resulting from the increase in production and postproduction expenditure.
• **Indirect impacts** are the output and value created (GVA) effects observed in sectors that supply goods and services into the film and television production sector.
• **Induced impacts** are the output and value created (GVA) uplift created as a result of the wage effects of those working in the production sector.

The relationship between direct, indirect and induced effects reflect the underlying economic system within a county, state or country.
We use statistics from the Bureau of Economic Analysis to calculate the full-time equivalent jobs figure from the employment headcount.

Deadweight/additionality

To assess additionality and calculate 'net' impact from 'gross' impact, we need to remove the deadweight – i.e. the production and postproduction expenditure that would have happened without the incentive. This was explored during consultations and a quantitative additionality survey was sent to all companies accessing the credits.

The survey contained three key additionality questions, addressing:
• The factors drawing the project to NM. The incentive will be one of the factors listed along with elements such as locations and talent, and the respondent will be asked to rate the importance of each;
• The specific importance of the incentive in drawing the project as an individual rating; and
• How much lower NM project spend would have been without the availability of the incentive.

The additionality score across the program, based on the results of this survey and using the factors above.

The survey was sent to 54 production companies, the response rate was 31%. While this does not give a statistically significant result, it is in indicative and robust enough to be used in our economic impact model.

In sum, when asked how much of their productions would have happened in New Mexico without the incentive, the average (median) response was that there would be no production without the incentive and all production companies based out of New Mexico responded zero to this question. The mean response was that 8% of production would have happened without the incentive, but this is influenced upwards only three companies responding that any production activity at all would happen without the incentive.

The additionality of the credit is therefore very high – between 92% and 100%. This means that the tax credit is responsible for between 92% and 100% of production expenditure in state. Due to the distribution of the survey results, it is likely that real impact is closer to the top end of this. However, in the economic impact analysis we have chosen to use a more conservative additionality assumption of 92%.

This additionality assumption (of 0.92) was applied to the gross economic impacts to obtain the net results.

ATL and BTL
Above-the-line and below-the-line. These relate to film and television production workforce and the different types and seniority of roles across talent, cast, and crew: ATL refers to key talent, including directors, writers, and actors; BTL refers to other crew, for example in technical production roles.

FCAP
The Film Crew Advancement Program is an on-the-job training program for New Mexican residents working primarily in technical industry positions.

GVA

GVA is a measure of the value that is created by economic activity. It is the difference between gross output and intermediate inputs and at a national level aligns to Gross Domestic Product (GDP). These are the goods and services utilized by an industry in producing its gross output. In this report, GVA refers to the film and television production sector supported by New Mexico's incentive.

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