

# New Mexico Film Production Tax Incentive Study

## *Phase II Report*

October 2015



**Best  
Employers**  
in Canada  
By Aon Hewitt

**MNP** LLP

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## EXECUTIVE SUMMARY

This report contains the results of Phase 2 of a four-phased study of the effectiveness of New Mexico film and television industry tax incentives that is anticipated to continue through June 2017. The main goals of this phase were to analyze and report on the direct employment effects and procurement impacts of the film tax incentive in New Mexico. Subsequent phases of the study are planned to estimate the impacts of film and television-related infrastructure spending on New Mexico, to address the impacts of the film production tax incentive on New Mexico's tourism industry and educational programs, and to aggregate the findings from the previous study phases and make recommendations regarding the state's film production tax incentive.

The following are the main conclusions of Phase 2 related to direct film and television industry employment:

- Over the fiscal years 2010 through 2014, the industry supported annual employment of between 2,500 and 4,000 direct, indirect and induced full-time equivalent positions for residents of New Mexico. The majority of positions (ranging between 1,400 and 2,200 annually) were positions within the New Mexico film and television industry while the remainder were from a range of supporting industries.
- Direct jobs created by the film and television industry included positions in the following categories: key creative team (e.g. directors, producers and writers), performing artists (e.g. actors/actresses, stunt performers and extras), production office, camera department, technical trade workers, post production and other support services.
- Technical trade workers comprised the majority (approximately 56 percent) of direct employment. Within the technical trade job category, the majority of employment was in the set, electric, grip and construction departments, which were estimated to comprise 58 percent of technical trade positions.
- Residents of New Mexico accounted for approximately 74 percent of all positions hired by productions and approximately 70 percent of all managerial positions. The remainder were filled by non-residents.
- Approximately one-fifth of all positions held by New Mexico residents were managerial positions (approximately 20 percent).
- The majority of positions held by New Mexico residents met the minimum weekly hours for full-time employment (67 percent). Not including performance artists, 74 percent of positions held by New Mexico residents were full time positions. On average, employees in full-time positions worked in excess of 50 hours per week. According to industry representatives, full year employment would be achieved in 7 to 10 months; however, it is difficult to determine the number of individuals that achieved this.
- Although directly comparable data was limited, the study suggests that the hourly compensation (excluding overtime) for a sample of occupations in the film and television industry is typically higher than the hourly compensation for the same occupation in other industries in New Mexico. It is also higher than the average hourly compensation across all industries and occupations in New Mexico<sup>1</sup>. This finding was based on a comparison between mean hourly wage rates available from the Bureau of Labor Statistics and contracted wages as applies to a subset of film and television industry workers.

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<sup>1</sup> Please note that the statewide average hourly wage rate is similar to the average hourly wage rates in Albuquerque and Santa Fe, where the majority of film and television production takes place. According to the Bureau of Labor Statistics, the hourly wage rate across all industries and occupations in Albuquerque and Santa Fe was \$20.92 and \$20.43 respectively. (U.S. Bureau of Labor Statistics, Occupational Employment Statistics (OES) survey, mean hourly wage as of May 2014).

- It is estimated that the majority of positions held by New Mexico residents in the film and television industry included employee benefits, such as health coverage and pension plans, funded primarily through employer contributions.
- Most direct positions are relatively skilled positions that require post-secondary education, work experience or on-the-job training.

The following are the main conclusions of Phase 2 related to industry procurement of goods and services:

- The film and television industry engaged a wide variety of local businesses for the procurement of goods and services. It is estimated that approximately \$513.9 million was spent by film and television productions on the procurement of goods and services in New Mexico between fiscal years 2010 and 2014. The largest expenditure categories included spending on equipment rentals, lodging/accommodation, rolling equipment including trucks, trailers, cranes and other vehicles, food and catering services, and construction, representing almost half of total spending on goods and services.
- As a consequence of these expenditures, the film and television industry is estimated to have supported 600 to 900 indirect full-time equivalent positions on an annual basis.
- It is estimated that approximately 73 percent of total production spending in the state (on both labor and the procurement of goods and services) occurred in the Central region, which includes Albuquerque. The North Central region, encompassing Santa Fe, received the second largest share of production expenditures (18 percent). The southern regions received the least amount of production spending.

## 1 BACKGROUND AND STUDY PURPOSE

### 1.1 INTRODUCTION

The State of New Mexico has engaged MNP LLP (MNP) to conduct an independent assessment of the economic and community impacts, and cost-effectiveness of the New Mexico film production tax incentive.

The study is anticipated to run from 2014 through 2017, and to consist of four phases. The planned reporting schedule for the study is shown in Table 1.

**TABLE 1: ANTICIPATED STUDY REPORT SCHEDULE**

Project Phase	Scope of Phase/Report	Timing
Phase I	<ul style="list-style-type: none"> <li>Film and television industry review, and tax incentive overview</li> <li>Comparison of New Mexico's film production tax incentive program with those of other US states</li> <li>Economic impacts of production spending</li> <li>Recommendations for reporting requirements</li> </ul>	<p>Completed June 30, 2014</p> <p>Available at: <a href="http://www.nmfilm.com/Statistics.aspx">http://www.nmfilm.com/Statistics.aspx</a></p>
Phase II	<ul style="list-style-type: none"> <li>Analysis of film industry employment and procurement</li> </ul>	June 30, 2015
Phase III	<ul style="list-style-type: none"> <li>Economic impacts of infrastructure spending</li> <li>Survey/interviews with film industry stakeholders, tourism organizations, and educational institutions</li> <li>Impact of film production tax incentive on New Mexico's tourism industry and educational programs</li> </ul>	Anticipated June 30, 2016
Phase IV	<ul style="list-style-type: none"> <li>Assessment of film and television industry impacts in New Mexico by aggregating findings from previous phases</li> <li>Recommendations with regards to improved targeting and future opportunities for the film production tax incentive</li> </ul>	Anticipated June 30, 2017

This report summarizes the findings of Phase 2 of the study.

## 1.2 PURPOSE AND SCOPE OF PHASE 2

The purpose of Phase 2 was to prepare a report that analyzes the direct employment and procurement impacts of the film production tax incentive in New Mexico. More specifically, the Phase 2 report addresses information related to the following:

1. Profile of direct employment created by the New Mexico film production tax incentive, including:
  - Percentage of industry positions filled by New Mexico residents versus out-of-state residents.
  - Permanent versus temporary employment and full-time versus part-time employment created in the context of the industry.
  - Average salary or wage levels of film industry jobs, and comparisons to other industries with similar educational requirements.
  - Benefits paid to film industry employees and contractors.
  - Educational requirements and career advancement opportunities for film industry jobs.
2. Profile of procurement of goods and services from the New Mexico film production tax incentive, including:
  - Indirect employment created through the procurement of goods and services.
  - Regional share of in-state procurement.
  - Procurement patterns by type of production (i.e. film versus television production).
  - Impact on local businesses, including in-state versus out-of-state procurement patterns.

## 1.3 DATA SOURCES

For this study, MNP relied on data obtained from a number of public and private industry sources. The following are the main sources of information on which our analysis relies:

- Quarterly Reports published by the New Mexico Film Office of direct New Mexico production spending for fiscal years (FY) 2010 through 2014.
- Production budget and expenditure data obtained from the New Mexico Film Office indicating the breakdown of production spending by labor and non-labor expenditure categories for FY 2010 through FY 2014, as well as the location of production spending from FY 2012 through FY 2014.
- Payroll data including payroll counts, average weekly hours worked and positions held by New Mexico residents obtained from payroll companies operating in New Mexico.
- Interviews conducted with industry representatives and businesses operating in New Mexico. Interview guides are provided in Appendix F.

Sources are described in more detail in the sections where they are referenced. The process by which data is collected from productions and prepared by the New Mexico Film Office is provided in Appendix A.

Please note that information related to out-of-state procurement is not currently requested from production companies upon filing for the tax credit. Uncertainty around the self-reporting of other, non-qualifying expenditure items (such as non-resident labor) makes it difficult to infer out-of-state spending from the information provided. It is therefore not possible at this time to determine the share or percentage of procurement that is sourced locally within New Mexico. Suggested modifications in data collection and reporting will be provided in Phase 4 of the study.

## 1.4 REPORT STRUCTURE

This report is structured as follows:

- Section 2 provides an overview of employment and procurement in the film and television industry.
- Section 3 provides a profile of direct employment generated through the film production tax incentive in New Mexico.
- Section 4 provides a profile of spending on goods and services generated by the film production tax incentive in New Mexico.
- Section 5 summarizes the findings from Phase 2 of the study.

The appendices include an analysis of production spending by type of production, occupational profiles for New Mexico film industry positions, and other supplementary information.

## 1.5 REPORT LIMITATIONS

This report is not to be published in whole or in part without the prior written consent of MNP LLP ("MNP"). The report is provided for information purposes and is intended for general guidance only. It should not be regarded as comprehensive or a substitute for personalized, professional advice.

We have relied upon the completeness, accuracy and fair presentation of all information and data obtained from New Mexico Economic Development Department, New Mexico Department of Finance and Administration, New Mexico Film Office and other public sources, believed to be reliable. The accuracy and reliability of the findings and opinions expressed in the presentation are conditional upon the completeness, accuracy and fair presentation of the information underlying them. Additionally, the findings and opinions expressed in the presentation constitute judgments as of the date of the presentation, and are subject to change without notice.

The reader must understand that our analysis is based upon projections, founded on past events giving an expectation of certain future events. Future events are not guaranteed to follow past patterns and results may vary, even significantly. Accordingly, we express no assurance as to whether projections underlying the economic and financial analysis will be achieved.

We disclaim any liability to any party that relies upon these findings and opinions for business investment purposes. Before taking any particular course of action, readers should contact their own professional advisor to discuss matters in the context of their particular situation.

## 2 NATURE OF THE FILM AND TELEVISION INDUSTRY

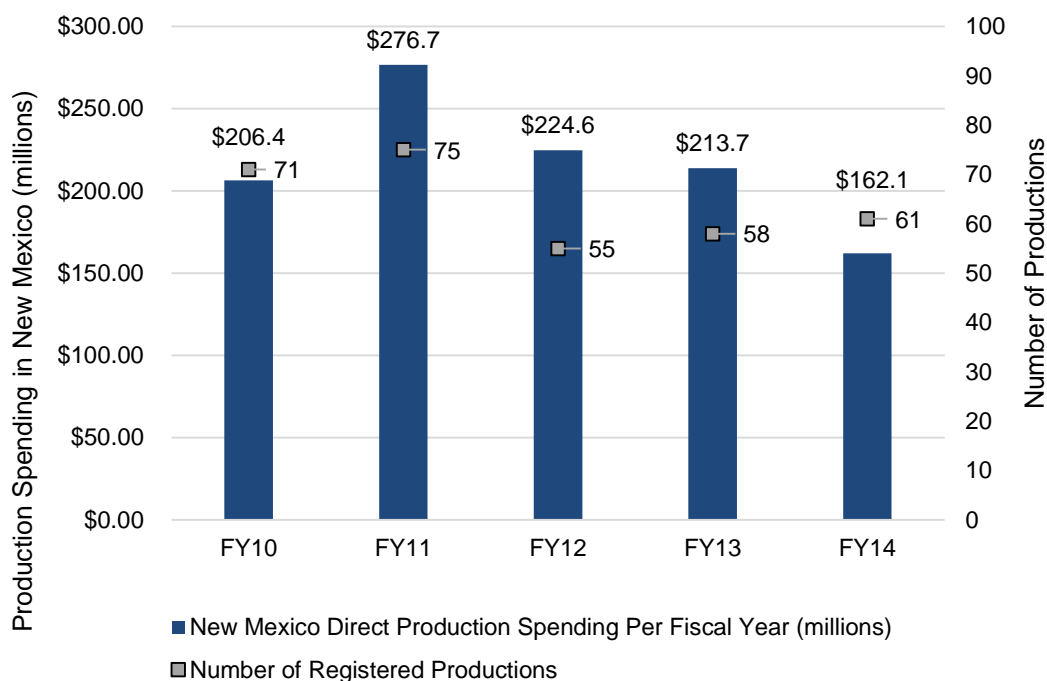
### 2.1 OVERVIEW OF THE FILM AND TELEVISION INDUSTRY

The film and television industry is unlike most other industries, in that it is characterized by a series of expenditures (i.e. productions) each taking place over a condensed period of time. Compared with industries that require more fixed infrastructure, such as manufacturing or natural resource industries, film and television productions are more mobile in nature and may take place in a variety of locations. Decisions around the location of a film or television production are often made by a studio or production company responsible for financing, producing, publicizing and distributing a film or program.

Once a production location is determined, the actual production may require hundreds of local contractors and small businesses hired on an as-needed basis. For example, based on a sample of 86 major film and television productions based in New Mexico, an average expenditure of \$10.1 million was made in the New Mexico economy per major production.<sup>2,3</sup>

The figure below presents the combined value of film and television productions taking place in New Mexico during FY 2010 through FY 2014. Included in the figure is the total direct production spending in New Mexico, as well as the total number of registered productions. It is the combined spending of multiple productions that enables and sustains employment in the industry.

**FIGURE 1: VALUE AND SIZE OF NEW MEXICO FILM AND TELEVISION INDUSTRY**



Source: New Mexico Film Office

**Note:** Prior to FY 2012, non-resident performing artists were included in the New Mexico Film Office's estimates of direct production expenditures. Consequently, a direct comparison of pre and post-2012 may not be reliable.

<sup>2</sup> Major productions are defined as those with \$1 million or more in total budget.

<sup>3</sup> Average expenditure is based on data obtained from the New Mexico Film Office for productions taking place between FY 2010 and FY 2014. For more information, please see Appendix B.



## 2.2 OVERVIEW OF EMPLOYMENT AND PROCUREMENT

Individuals and businesses engaged by a production often provide a wide range of services, including equipment rental, lighting, special effects, set construction and costume design, as well as much of the creative and technical talent that go into producing a film. As a result, the industry directly employs a large number of workers, and supports additional employment indirectly through the procurement of goods and services.

At a high level, direct industry employment includes labor hired directly by a production and includes the following types of occupations:

- **Pre-production occupations** – These include such occupations as screenwriters, producers, directors and art directors.
- **Production occupations** – These include such occupations as talent (main actors), directors or producers, as well as set designers, grips, electricians, make-up artists, camerapersons, sound technicians or first aid employees.
- **Post-production occupations** – These include such occupations as film and video editors, assistant editors, dubbing editors, film librarians, sound effects editors and audio recording engineers.

Procurement of goods and services supports additional employment in a range of industries. For example, spending by film and television productions may support jobs in business/professional services, catering and food services, retail and accommodation, transportation services, equipment rental and leasing and other industries.

### 3 FILM AND TELEVISION INDUSTRY DIRECT EMPLOYMENT

A production may hire a combination of local residents and non-residents to meet the labor needs of a production, as well as employ individuals on both a full-time or part-time basis. This section of the report provides an estimate of the total employment created through direct spending made by productions on local labor (“direct employment”), as well as information related to the nature of work, compensation levels in the industry, benefits offered to industry employees, and educational requirements and career advancement opportunities. Information on indirect employment (i.e., employment created through spending on goods and services in New Mexico) is contained in Section 4 of the report.

#### 3.1 DIRECT EMPLOYMENT CREATED THROUGH THE FILM PRODUCTION TAX INCENTIVE

In Phase 1 of the New Mexico Film Production Tax Incentive Study<sup>4</sup>, MNP estimated the economic impacts of production spending in New Mexico between FY 2010 and FY 2014<sup>5</sup>. The economic impacts, including employment impacts, were estimated at the direct, indirect and induced levels. These levels are defined as follows:

- **Direct impacts** are changes that occur in “front-end” businesses that would initially receive expenditures and operating revenue as a direct consequence of the operations and activities of a facility, project or industry.
- **Indirect impacts** arise from changes in activity for suppliers of the “front-end” businesses.
- **Induced impacts** arise from shifts in spending on goods and services as a consequence of changes to the payroll of the directly and indirectly affected businesses.

Direct employment impacts arise through spending made by productions on local labor. Based on production expenditures obtained from the New Mexico Film Office between FY 2010 and FY 2014, it was estimated that approximately 9,300 direct full-time, full-year positions (defined as full-time equivalent or “FTE” positions<sup>6</sup>) were generated through the hiring of local residents on film and television productions. On an annual basis, this represents direct employment of between 1,457 to 2,178 FTE positions each year.

As indicated in Table 2, it is estimated that direct employment accounts for the majority of total employment created in New Mexico (of approximately 56 percent). For a detailed description of the methodology used to estimate these impacts, please refer to MNP’s Phase 1 Report of the New Mexico Film Production Tax Incentive Study<sup>7</sup>.

**TABLE 2: ESTIMATED EMPLOYMENT IMPACTS OF PRODUCTION SPENDING IN NEW MEXICO (in FTEs)**

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Total
<b>Direct</b>	1,674	2,178	2,065	1,940	1,457	9,314
Indirect	635	894	844	782	579	3,733
Induced	647	838	805	749	555	3,594
<b>Total</b>	<b>2,956</b>	<b>3,910</b>	<b>3,714</b>	<b>3,471</b>	<b>2,591</b>	<b>16,642</b>

<sup>4</sup> MNP (2014). *New Mexico Film Production Tax Incentive Study: Phase 1 Report*. Available at <http://www.nmfilm.com/Statistics.aspx>.

<sup>5</sup> MNP’s Phase 1 report included estimates of economic impacts generated from production spending in New Mexico between FY2010 and FY2014 (Q1 to Q3). These estimates have been updated to include production spending taking place in New Mexico in Q4 of FY2014.

<sup>6</sup> Employment is reported in “FTEs” to account for labor that may be hired on a part-time or short-term basis. That is, two individuals that work full-time for six months of the year are counted as one FTE position. There are multiple definitions of full time employment which may differ from definitions of full time equivalency. Our definition of full time employment is based on 32 hours per week

<sup>7</sup> MNP (2014). *New Mexico Film Production Tax Incentive Study: Phase 1 Report*. Available at <http://www.nmfilm.com/Statistics.aspx>.

### 3.2 TYPES OF JOBS CREATED

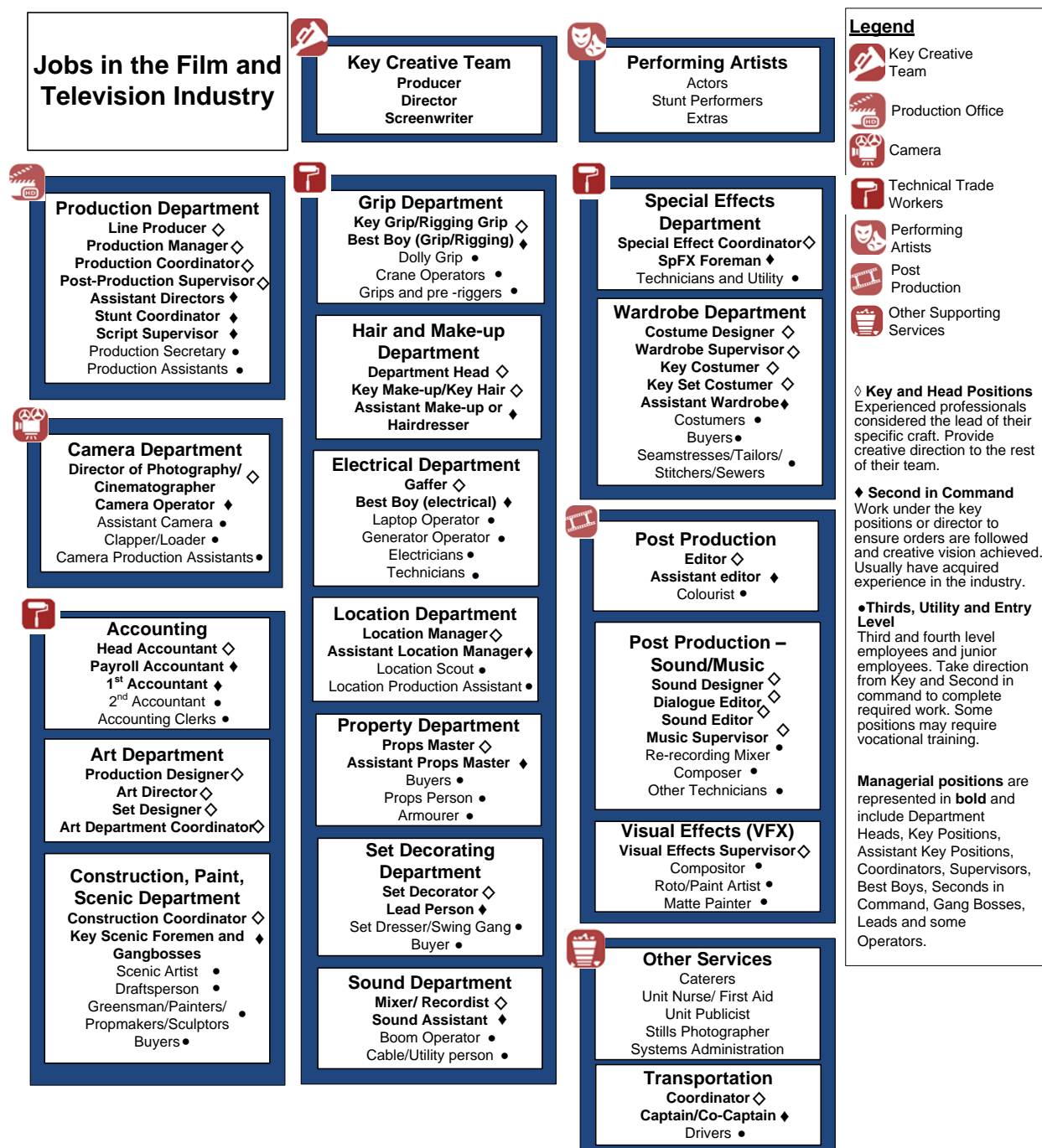
Figure 2 provides an overview of the types of jobs supported by a production organized by department. Depending on the type and size of production, there may be over 150 individuals engaged in a variety of roles to assist with the production. Generally the positions fall into the following categories:

- **Key Creative Team:** The directors, producers and writers of a production or project.
- **Performing Artists:** The cast of the production, including main talent (e.g. actors), non-featured artists (e.g. voice-overs), stunt performers and background/extras.
- **Production Office:** Positions that assist the directors and producers and ensure the production is delivered on time and on budget. Also responsible for managing day to day operations.
- **Camera:** Technical positions related to composing shots and operating the camera during shooting.
- **Technical Trade Workers:** A wide range of positions in departments such as accounting, art, casting, construction, grip, hair and makeup, lighting, location, property (“props”), set, sound, special effects and wardrobe.
- **Post Production:** Positions that are involved once filming is complete and that assist with developing the final product. Includes post-production sound/music and visual effects.
- **Other Support Services:** Other positions that are hired to support the production, including positions related to transportation, catering, first aid, security and computer/information technology systems.

As indicated in Figure 2, positions within each department are hierarchical in nature and are typically assigned based on years of industry experience. A key position (such as a coordinator, manager or operator) is hired as the head of the department and is followed by a second in command (such as a “best boy”, assistant to key, gang boss or foreman). These positions are managerial positions and depending on the size of the production, can represent up to a third of positions hired by a production. Other positions supporting the production include utility positions (third and fourth positions) as well as entry level positions, such as clerks and production assistants.

For more detailed information for a specific position or department, including job descriptions, and educational and skill requirements, please refer to the job descriptions and occupational profiles contained in Appendix C.

FIGURE 2: FILM AND TELEVISION INDUSTRY OCCUPATIONS



Note that the number of utility and entry level positions can vary greatly by size of production and not all possible positions are presented in this figure. The above information serves to highlight the different types of jobs created in the industry through a general departmental structure.

### 3.3 EMPLOYMENT CREATED BY JOB CATEGORY AND TYPE OF POSITION

Table 3 provides an estimated breakdown of direct employment generated by the film production tax incentive in New Mexico by job category or department, based on payroll company data obtained for this study<sup>8</sup>. Please note that this breakdown includes only those positions held by New Mexico residents.

The data suggest that technical trades comprised the majority (approximately 56 percent) of direct jobs held by New Mexico residents. Within the technical trade job category, the majority of employment was in the set, electric, grip and construction departments, which comprised 58 percent of technical trade positions.

**TABLE 3: NEW MEXICO FILM INDUSTRY DIRECT EMPLOYMENT BY JOB CATEGORY**

Job Category / Department	Percent of Direct Employment (%)
<b>Key Creative Team</b>	<b>0.8</b>
<b>Performing Artists</b>	<b>9.8</b>
<b>Production Department</b>	<b>9.4</b>
<b>Camera Department</b>	<b>5.1</b>
<b>Technical Trades</b>	<b>56.0</b>
Accounting	1.8
Art	1.7
Casting	1.4
Construction	6.6
Electric	8.5
Grip	6.9
Hair and Makeup	3.7
Location	2.8
Property	5.7
Set	10.2
Sound	1.5
Special Effects	2.1
Wardrobe	3.1
<b>Post Production</b>	<b>0.2</b>
<b>Other Support Services</b>	<b>18.7</b>
Transportation	11.4
Other	7.3
<b>Total</b>	<b>100.0</b>

Source: New Mexico payroll data from 2010 to 2014 provided to MNP

Moreover, the payroll company data indicates that approximately one-fifth (or 20 percent) of direct employment held by New Mexico residents were managerial positions. This included positions such as

<sup>8</sup> Please note that the payroll company data obtained for the study represents a total payroll count of 12,144 New Mexico residents over a five year period (2010 to 2014).

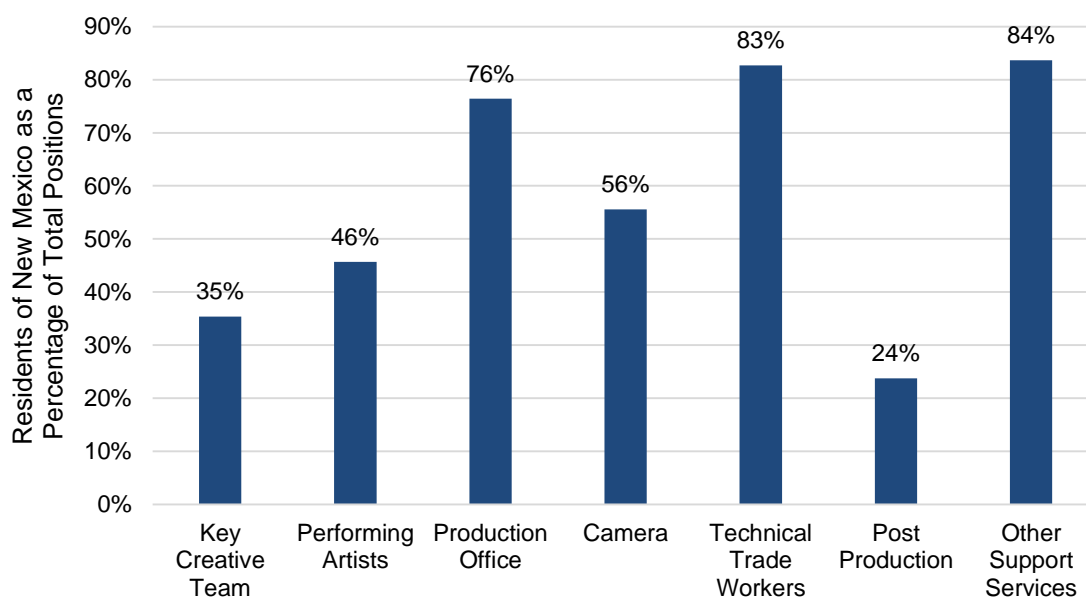
department heads, key positions, assistant key positions, supervisors, managers, coordinators, best boys, foremen and gang bosses that involve the management of department teams or production activities.

### 3.4 SHARE OF POSITIONS HELD BY NEW MEXICO RESIDENTS

While our estimates of direct employment in New Mexico are based on only those positions held by residents, productions often hire both local labor and non-residents to meet the needs of a production. Based on payroll company data for productions taking place in New Mexico between 2010 and 2014, it is estimated that New Mexico residents accounted for approximately 74 percent of all positions hired by productions.

Figure 3 indicates the share of positions held by New Mexico residents by job category or department. Residents of New Mexico held the highest share of employment in the following job categories: Production Office (76 percent), Technical Trades (83 percent) and Other Support Services (84 percent). A lower share of positions was held by New Mexico residents in Key Creative Team (35 percent) and Post Production (24 percent) job categories.

**FIGURE 3: SHARE OF POSITIONS HELD BY NEW MEXICO RESIDENTS BY JOB CATEGORY (2010 to 2014)**



Source: New Mexico payroll data from 2010 to 2014 provided to MNP

Table 4 indicates the share of employment held by New Mexico residents across technical trade departments. The electric, grip, location and set departments had the highest share of positions held by New Mexico residents (over 90 percent of positions).

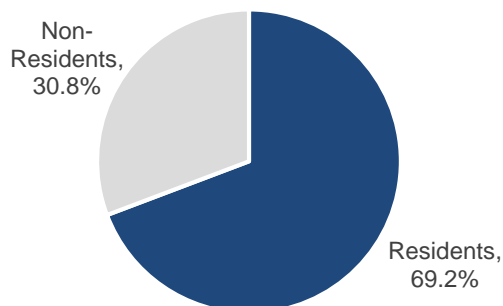
**TABLE 4: SHARE OF POSITIONS HELD BY NEW MEXICO RESIDENTS BY TECHNICAL TRADE**

Technical Trade Department	Share of Positions Held by New Mexico Residents (%)
Technical Trade Workers	83
<i>Accounting</i>	64
<i>Art</i>	69
<i>Casting</i>	85
<i>Construction</i>	77
<i>Electric</i>	92
<i>Grip</i>	91
<i>Hair and Makeup</i>	78
<i>Location</i>	91
<i>Property</i>	83
<i>Set</i>	90
<i>Sound</i>	78
<i>Special Effects</i>	66
<i>Wardrobe</i>	75

Source: New Mexico payroll data from 2010 to 2014 provided to MNP

Moreover, as indicated in Figure 4, payroll company data indicates that the almost 70 percent of managerial positions across job categories and departments (excluding Key Creative Team and Performing Artists) were held by New Mexico residents.

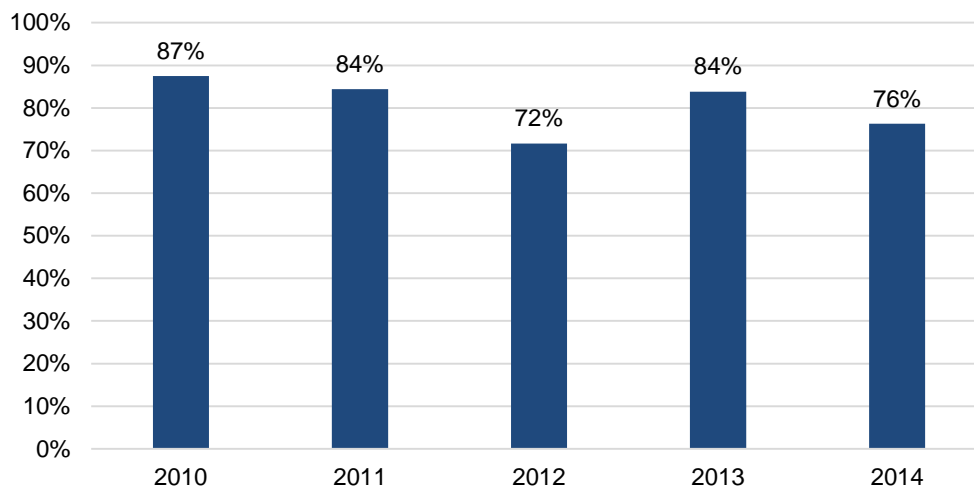
**FIGURE 4: SHARE OF MANAGERIAL POSITIONS HELD BY NEW MEXICO RESIDENTS**



Source: New Mexico payroll data from 2010 to 2014 provided to MNP

Figure 5 indicates the share of employment held by New Mexico residents over time. Between FY 2010 and FY 2014, New Mexico residents accounted for approximately 70 to 85 percent of positions annually.

**FIGURE 5: SHARE OF EMPLOYMENT HELD BY NEW MEXICO RESIDENTS, 2010 TO 2014**



Source: New Mexico payroll data from 2010 to 2014 provided to MNP

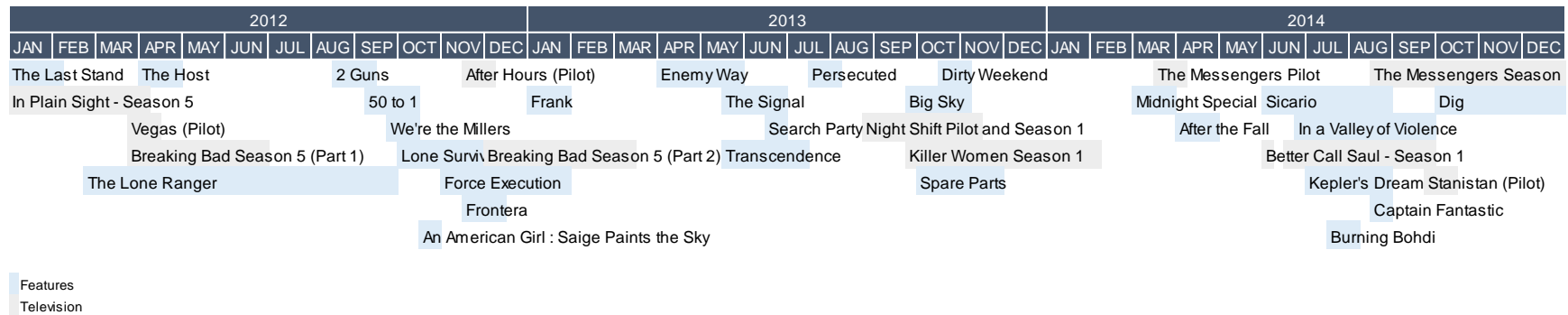
### 3.5 NATURE OF WORK

Positions in the film industry differ from positions in most other industries with respect to the nature of employment and intensity of hours worked. Workers in the film industry are typically hired by individual films or television series on a temporary basis, and are often required to work long days during the production period.

The figure on the following page maps the production timelines of a sample of films and television series taking place in Albuquerque between 2012 and 2014. As indicated, work on productions generally takes place over a condensed period of time and workers may have a period of downtime before the next project begins.



**FIGURE 6: PRODUCTION SCHEDULES OF FILMS AND TELEVISION SERIES TAKING PLACE IN ALBUQUERQUE**



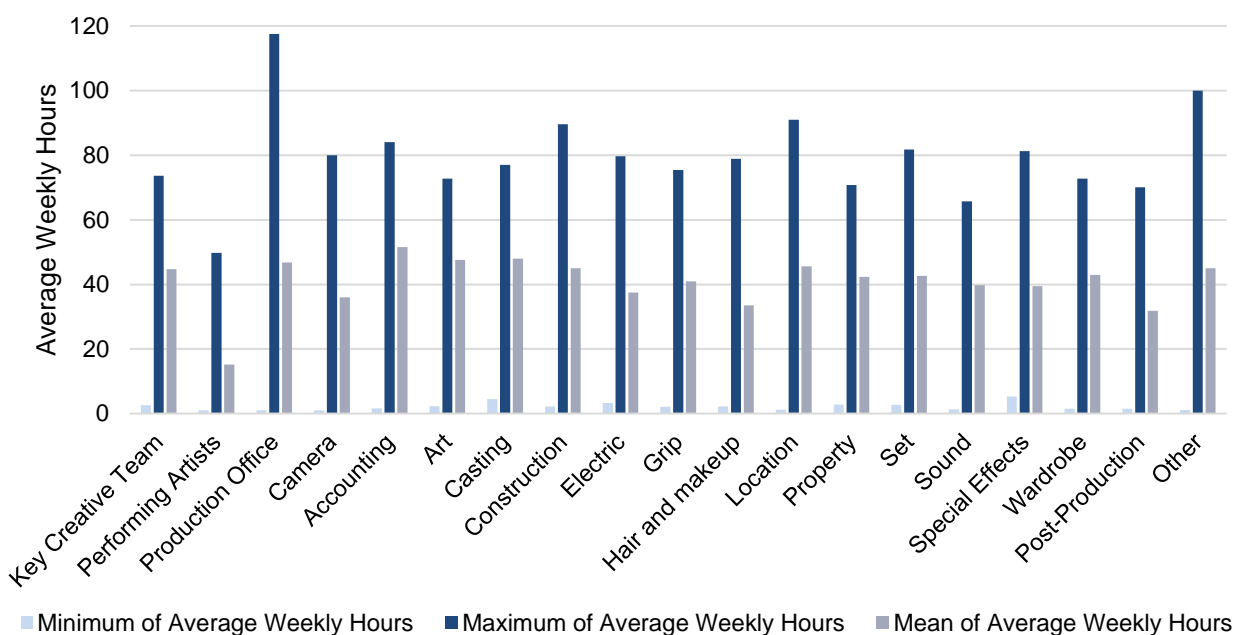
List of movies filmed in Albuquerque taken from New Mexico Film Office : *Films Listed by Year Produced in Film Location Map*: <http://nmfilm.com/uploads/files/2015MapWEB%20b.pdf>

Production Months taken from New Mexico Film Office website "NM Filmography": [http://nmfilm.com/NM\\_Filmography.aspx](http://nmfilm.com/NM_Filmography.aspx) and Fiscal Year 2010 through Fiscal Year 2014 Registered Projects List: <http://nmfilm.com/project-types-fy10-fy14.aspx>

7 projects could not be mapped due to lack of data (*Biomass* -2012, *The Odd Way Home* - 2012, *Missing You* - 2012, *Things People Do* - 2013, *The Condemed 2* - 2014, *The Scorch Trials* - 2014, *Night Shift, Season 2* - 2014 )

Moreover, industry employees typically work long hours during a production. The following figure is based on payroll company data and illustrates the minimum, mean and maximum average weekly hours reported by New Mexico workers across job categories and departments. As indicated in Figure 7 many New Mexico film industry employees worked well in excess of 40 hours per week while working on a production.

**FIGURE 7: MINIMUM, MEAN AND MAXIMUM AVERAGE WEEKLY HOURS WORKED BY JOB CATEGORY OR DEPARTMENT**



Source: New Mexico payroll data from 2010 to 2014 provided to MNP

Based on full-time employment defined as 32 hours per week or greater<sup>9</sup>, the following table indicates the percentage of positions held by New Mexico residents in each department that met the minimum weekly hours for full-time employment. The payroll data indicates that the large majority of positions (with the exception of Performing Artists) are full-time in nature.

<sup>9</sup> The definition of full time employment is based on the definition used by the New Mexico Department of Workforce Solutions as defined in the New Mexico Administrative Code, available at <http://164.64.110.239/nmac/parts/title11/11.003.0300.pdf>.

**TABLE 5: PERCENTAGE OF POSITIONS THAT ARE FULL TIME**

Job Category / Department	Percentage of Positions held by New Mexico Residents that are Full Time (%) (more than 32 hours per week)
Key Creative Team	68.8
Performing Artists	5.1
Production Office	79.0
Camera	62.4
Technical Trades	75.0
Post Production	47.4
Other	72.5
Overall	67.3
Overall (excluding Performing Artists)	73.9

Source: New Mexico payroll data from 2010 to 2014 provided to MNP

Because individuals may work on more than one production in a year (and receive payment through more than one payroll company), it is difficult to determine the number of individuals that receive full-time employment for the majority of the year<sup>10</sup>. However, as film industry employees typically work longer hours, workers will tend to achieve full-time equivalency (e.g. the equivalent of 32 hours per week over 52 weeks) after fewer work weeks.

Table 6 presents the average weekly hours worked for all New Mexico employees included in the payroll data, as well as all New Mexico employees that were considered to be working full-time (more than 32 hours per week).

**TABLE 6: AVERAGE WEEKLY HOURS BY JOB CATEGORY**

Job Category	Average Weekly Hours (All Employees included in Payroll)	Average Weekly Hours (All Full Time Employees included in Payroll)
Key Creative Team	44.7	58.9
Performing Artists	15.2	39.8
Production Office	46.8	55.9
Camera	36.0	53.5
Technical Trades	41.8	51.6
Post-Production	31.8	54.2
Other	45.0	55.5
<b>Overall</b>	<b>40.0</b>	<b>52.3</b>

Source: New Mexico payroll data from 2010 to 2014 provided to MNP

The average weekly hours reported in the payroll data suggests that 7 to 10 months of work would be required to achieve full-time, full year employment (the length of time required would decrease for

<sup>10</sup> Some individuals would fill more than one position over the course of a year and the number of discrete individuals included in the sample is unknown as no personal identification numbers were provided by payroll companies for reason of confidentiality.

individuals working more than this average amount). The payroll company data also indicated that employees worked, on average, eight to nine weeks on an individual production.

Moreover, representatives from the International Alliance of Theatrical Stage Employees (IATSE), the union representing many of the technical trade workers in the industry, state that its members work approximately 30 weeks per year with a work week of close to 65 hours<sup>11</sup>. Based on this information, most members would exceed the hours required for full-time equivalency of 32 hours, working close to 2,000 hours in a year.

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<sup>11</sup> MNP interview with IATSE representatives.

### 3.6 WAGE LEVELS COMPARED WITH OTHER INDUSTRIES

The hourly earnings of an occupation in the film and television industry is typically higher than the hourly earnings of the same occupation in other industries. This is mainly due to the following reasons:

- High union membership – Based on payroll company data, it is estimated that over 80 percent of New Mexico residents employed in the film and television industry belong to a union.
- Overtime premiums – As illustrated previously, employment in the film and television industry typically requires overtime work. For technical trades positions, employees receive one and one-half times their regular hourly rate for hours worked after eight hours of work in a five-day work week or after forty hours of work in a week, as well as for the first twelve hours worked on a sixth work day in a week<sup>12</sup>.

Table 7 shows the average hourly wage in New Mexico for a sample of occupations. Where information was available, the average hourly wage for an occupation across all industries in New Mexico was compared with the hourly wage for the same occupation in New Mexico's film and television industry. The wage rates in the third column include overtime premiums assuming a 10-hour day or 50-hour work week<sup>13</sup>, and payment of one and one-half times the regular wage rate for any overtime hours worked.

Hourly wage data for all industries is based on mean hourly wage data for New Mexico from the Occupational Employment Statistics (OES) survey of the US Bureau of Labor Statistics, as of May 2014. Hourly wage data for the film and television industry in New Mexico is based on Area Standard Agreements pertaining to that position (as applicable). Area Standard Agreements are union agreements that are negotiated on behalf of the industry and include negotiated wage rates that apply to industry positions in the state of New Mexico.

The data provided by payroll companies did not include wages, therefore a complete comparison of New Mexico film and television industry average hourly wages relative to that of similar occupations in other industries cannot be determined. However, wage rates from the IATSE Area Standard Agreement, which are specific to the film and television industry in New Mexico, may be able to provide an approximation (or indication) of these wage rates. These wage rates would apply to about 80 percent of workers in these positions. The remaining 20 percent of workers may receive more or less than these wage rates.

Based on this comparison, the hourly compensation for an occupation in the film and television industry is typically higher than the hourly compensation for the same position in other industries, and is also higher than the \$20.30 average hourly wage across all industries and occupations in New Mexico<sup>14</sup>.

For a more complete list of wage rates including overtime premiums specific to New Mexico film and television industry positions, please refer to Appendix D.

<sup>12</sup> International Alliance of Theatrical Stage Employees (IATSE) Area Standard Agreement.

<sup>13</sup> A work week of over 50 hours is consistent with payroll company data for individuals employed full time on a production.

<sup>14</sup> Please note that the statewide average hourly wage rate is similar to the average hourly wage rates in Albuquerque and Santa Fe, where the majority of film and television production takes place. According to the Bureau of Labor Statistics, the hourly wage rate across all industries and occupations in Albuquerque and Santa Fe was \$20.92 and \$20.43 respectively. (U.S. Bureau of Labor Statistics, Occupational Employment Statistics (OES) survey, mean hourly wage as of May 2014).

**TABLE 7: COMPENSATION COMPARISON IN NEW MEXICO**

Occupation	Hourly Wage in New Mexico		
	All Industries <sup>15</sup>	Film and Television Industry <sup>16</sup>	Film and Television Industry (including overtime) <sup>17</sup>
Producers and Directors	\$32.04	unavailable	unavailable
Coordinators - Construction, Paint and Scenic <sup>18</sup>	\$29.38	\$31.52	\$34.67
Accountants	\$26.46	unavailable	unavailable
Crane Operators <sup>19</sup>	\$26.38	\$24.86 – \$26.01	\$27.90 – \$28.61
Sound Engineering Technicians <sup>20</sup>	\$26.78	\$31.52	\$34.67
Truck Drivers – Heavy and tractor-trailer	\$25.25	unavailable	unavailable
Camera Operators Television Video and Motion Picture	\$23.17	unavailable	unavailable
Electricians <sup>21</sup>	\$23.03	\$24.86 – \$26.01	\$27.90 – \$28.61
Set and Exhibit Designers <sup>22</sup>	\$22.73	\$24.86 – \$26.01	\$27.90 – \$28.61
Carpenters <sup>23</sup>	\$17.86	\$24.86 – \$26.01	\$27.90 – \$28.61
Film and Video Editors <sup>24</sup>	\$17.06	\$24.86 – \$26.01	\$27.90 – \$28.61
Emergency Medical Technicians and Paramedics <sup>25</sup>	\$16.80	\$27.54 – \$28.75	\$30.90 – \$31.63
Audio and Video Equipment Technicians <sup>26</sup>	\$16.64	\$24.86 – \$26.01	\$27.90 – \$28.61
Painters <sup>27</sup>	\$16.13	\$27.54 – \$28.75	\$30.90 – \$31.63
Plasterers <sup>28</sup>	\$14.98	\$24.86 – \$26.01	\$27.90 – \$28.61
Secretaries and Administrative Assistants	\$14.65	unavailable	unavailable
Construction Laborers	\$13.45	unavailable	unavailable
Hair Dressers <sup>29</sup>	\$12.94	\$27.54 – \$28.75	\$30.90 – \$34.67
Tailors, Dressmakers, and Sewers <sup>30</sup>	\$10.85	\$24.86 – \$26.01	\$27.90 – \$28.61

Source: Bureau of Labor Statistics - Occupational Employment Statistics (OES) survey, IATSE Area Standard Agreements

<sup>15</sup> U.S. Bureau of Labor Statistics, Occupational Employment Statistics (OES) survey, mean hourly wage as of May 2014, including full time and part time wage and salary workers (in non-farm industries).

<sup>16</sup> Hourly wage for the same category in the film and television industry excluding overtime, as reported in the IATSE Area Standard Agreement.

<sup>17</sup> IATSE hourly wage including overtime based on a 10-hour work day or 50-hour work week. The average hourly wage was calculated as the weighted average of the regular hourly rate for 8 hours and 1.5 times the regularly hourly rate for 2 hours (or 40 hours and 1.5 times the regular hourly rate for 10 hours).

<sup>18</sup> Compared with IATSE wage for Coordinator - Construction, Paint and Scenic, (Theatrical Motion Pictures).

<sup>19</sup> Compared with IATSE wage for Crane Operators (Pilots and Theatrical Motion Pictures).

<sup>20</sup> Compared with IATSE wage for Sound Mixer / Recordist (Theatrical Motion Pictures).

<sup>21</sup> Compared with IATSE wage for Electrician (Pilots and Theatrical Motion Pictures).

<sup>22</sup> Compared with IATSE wage for Dressers On Set Off Set Swing Gang and Set Decorator (Pilots and Theatrical Motion Pictures).

<sup>23</sup> Compared with IATSE wage for Prop/Model Makers, (Pilots and Theatrical Motion Pictures).

<sup>24</sup> Compared with IATSE wage for Non-Record Video/ Video Assist, (Pilots and Theatrical Motion Pictures).

<sup>25</sup> Compared with IATSE wage for First Aid – Emergency Medical Technician, Paramedic, Registered Nurse (Pilots and Theatrical Motion Pictures).

<sup>26</sup> Compared with IATSE wage for Non-Record Video/ Video Assist, (Pilots and Theatrical Motion Pictures).

<sup>27</sup> Compared with IATSE wage for On Set and Set Painters, (Pilots and Theatrical Motion Pictures).

<sup>28</sup> Compared with IATSE wage for Sculptors/Plasterers, (Pilots and Theatrical Motion Pictures).

<sup>29</sup> Compared with IATSE wage for Key and Assistant Hair/ Key and Assistant Make-Up (Pilots and Theatrical Motion Pictures).

<sup>30</sup> Compared with IATSE wage for Seamstress/ Tailor/ Stitcher/ Sewer (Pilots and Theatrical Motion Pictures).

### 3.7 BENEFITS OFFERED TO INDUSTRY EMPLOYEES

As mentioned in the previous section, the majority of workers in the film and television industry are members of a union (over 80 percent between 2010 and 2014)<sup>31</sup>. Many of these unions offer benefits to their members funded primarily through employer contributions<sup>32</sup>.

Examples of plans include the following:

- The Motion Picture Industry Pension and Health Plans<sup>33</sup> - These plans were established through collective bargaining agreements between multiple unions and employers in the motion picture production industry.
- The DGA-Producer Pension and Health Plans<sup>34</sup> - These plans were established to help fill gaps in the availability and quality of benefits offered to Guild members. Access to these benefits allows producers to remain entrepreneurs and freelance artists in the industry.
- The IATSE National Benefit Funds<sup>35</sup> - Through multiple plans, these benefits cover health and welfare, annuity, pension and vacation.

The following table lists participating unions to the Motion Picture Industry Pension and Health Plans.

**TABLE 8: UNIONS PARTICIPATING IN THE MOTION PICTURE INDUSTRY PENSION AND HEALTH PLANS**

Unions Participating in the Motion Picture Industry Pension and Health Plans	
<ul style="list-style-type: none"> <li>• International Alliance of Theatrical Stage Employees (IATSE)</li> <li>• Moving Picture Technicians, Artists and Allied Crafts of the United States and Canada, AFL-CIO, CLC.</li> <li>• The Animation Guild, Local 839</li> <li>• Grips/Crafts Service, Local 80</li> <li>• Art Directors Guild &amp; Scenic, Title and Graphic Artists Local 800</li> <li>• International Sound Technicians, T.V. Engineers, Video Projection Technicians, Local 695</li> <li>• Cinematographers, Local 600</li> <li>• Make-Up Artists &amp; Hair Stylists Guild, Local 706 I.A.T.S.E.</li> <li>• Costume Designers Guild, Local 892</li> <li>• Painters, Local 729</li> <li>• Costumers, Local 705</li> <li>• Property Crafts, Local 44</li> <li>• Electricians, Local 728</li> <li>• UNITE HERE, Local 11</li> </ul>	<ul style="list-style-type: none"> <li>• Script Supervisors/Production Office Coordinators and Accounts, Local 871</li> <li>• Film Editors/Story Analysts, Local 700</li> <li>• Script Supervisors and Production Office Coordinators, Local 161</li> <li>• Film Technicians, Local 683</li> <li>• Studio Mechanics, Local 52</li> <li>• First Aid, Local 767</li> <li>• Teachers, Local 884</li> <li>• American Federation of Security Officers, Local 1</li> <li>• Plasterers, Local 755</li> <li>• Casting Directors, Local 817</li> <li>• Plumbers, Local 78</li> <li>• Drivers, Local 399</li> <li>• Service Employees, SEIU Local 1877</li> <li>• IBEW, Local 40 Studio Security and Fire Association</li> <li>• Studio Utility Employees, Local 724</li> <li>• Office &amp; Professional Employees, Local 174</li> </ul>

Workers in the industry may also receive other benefits, such as the use of company cars, member discounts, access to employment opportunities, complimentary gifts or subscriptions, craft or career

<sup>31</sup> Payroll company data.

<sup>32</sup> For example, based on the IATSE Area Standard Agreement, between August 2014 and July 2015, employers (i.e. production companies) had to contribute between \$95 and \$99 a day for each IATSE crew member, regardless of position. Employee contributions are voluntary.

<sup>33</sup> Retrieved from [https://www.mpiphp.org/about\\_us/theplan.aspx](https://www.mpiphp.org/about_us/theplan.aspx)

<sup>34</sup> Retrieved from <http://www.dgaplans.org/index.htm>

<sup>35</sup> Retrieved from <http://www.iatsenbf.org/about-us/>

training, access to post-production practice rooms, member assistance/support programs (legal, financial, or psychological help) and financial assistance through secured loans or credit unions.

Non-union employees, such as production office staff and extras, often receive similar benefits, such as vacation pay, pension and health coverage offered directly through their employer or production office.

Table 9 provides an illustration of the value of benefits offered to industry employees based on data obtained through IATSE representatives.

**TABLE 9: ESTIMATED VALUE OF BENEFITS FOR IATSE MEMBERS**

Year	Value of Benefits per Member	Details
2011	\$8,140	<ul style="list-style-type: none"> <li>• Health, dental and vision insurance</li> <li>• Pension plan</li> <li>• Access to 401k salary deferral plan</li> <li>• Member assistance program</li> <li>• No-interest secured loans</li> <li>• Craft, safety and career advancement training</li> </ul>
2012	\$9,479	
2013	\$11,894	



### 3.8 EDUCATIONAL REQUIREMENTS AND CAREER ADVANCEMENT

Table 10 summarizes the education and work experience requirements by job category and technical trade department. Most positions are relatively skilled positions that require work experience or on-the-job training, and may also be associated with recognized apprenticeship programs. Several employment positions require post-secondary education or vocational training. In some cases, while this is not a mandatory requirement, it may be beneficial in advancing an individual's career. (For detailed information, please see the occupational profiles contained in Appendix C).

**TABLE 10: EDUCATION AND EXPERIENCE REQUIREMENTS BY JOB CATEGORY**

Job Category	Post-Secondary Education or Vocational Training	Work Experience	On-the-Job Training	Apprenticeship
Key Creative Team	✓	✓	✓	
Production Office		✓	✓	✓
Camera		✓	✓	✓
Technical Trades:				
Accounting	✓*	✓	✓	
Art	✓*	✓	✓	✓
Construction, Paint, and Scenic			✓	✓
Hair and Makeup	✓	✓	✓	✓
Lighting		✓	✓	✓
Sound	✓*	✓	✓	✓
Special Effects	✓	✓	✓	
Wardrobe	✓*	✓	✓	✓
Post Production	✓	✓	✓	✓
Other Support Services			✓	✓

\* Indicates that some occupations within the job category may have this requirement.

New hires in the industry often start in a junior or entry-level role (for example, as a production assistant) assisting many different departments on various types and sizes of productions. Specialization by department and/or type of production may occur after an individual gains experience (or industry "credits"). Once a specialty is chosen, career advancement is typically based on competency in the role, as well as years of relevant work experience.

There are a number of initiatives in New Mexico to assist with training and development in the film and television industry. In particular:

- New Mexico's Film Crew Advancement Program (FCAP) provides an incentive to employers (production companies) to assist with on-the-job training. FCAP offers reimbursement of 50 percent of a participant's wages for up to 1040 hours worked by a qualifying crew member<sup>36</sup>.
- New Mexico students are provided the opportunity to gain experience in the film and television industry through internships with industry partners<sup>37</sup>, often opening a pathway to employment post-graduation.

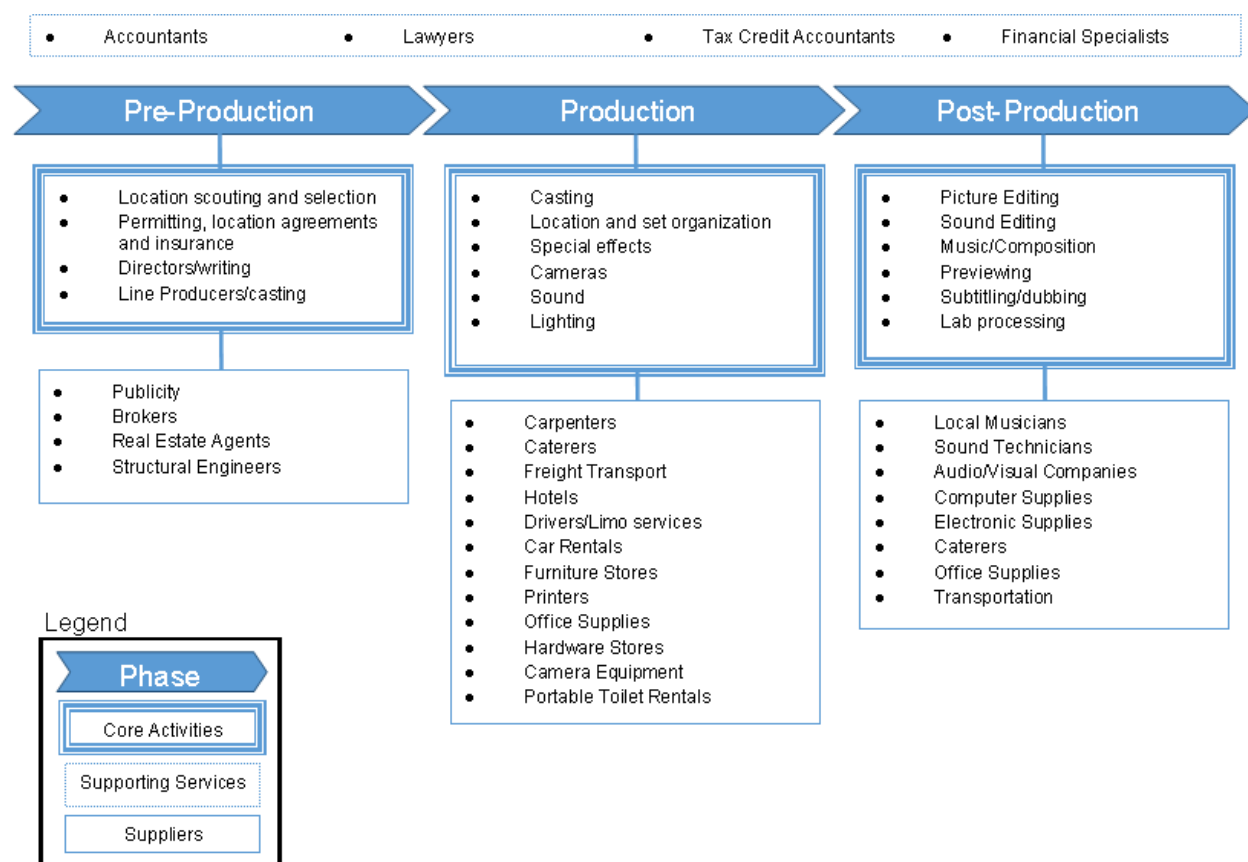
<sup>36</sup> New Mexico Film Office. Retrieved from [http://nmfilm.com/Film\\_Crew\\_Advancement\\_Program.aspx](http://nmfilm.com/Film_Crew_Advancement_Program.aspx)

<sup>37</sup> Santa Fe Studios (August 2, 2013). *Film Interns: Film students get hands-on experience at Santa Fe Studios*.

## 4 FILM AND TELEVISION INDUSTRY PROCUREMENT OF GOODS AND SERVICES

The film and television industry engages a wide variety of local businesses for the procurement of goods and services. Companies and small businesses that specialize in equipment rental, transportation, catering, or retail may receive direct operating revenue as a consequence of the film and television industry. Expenditures on goods and services contribute to the local economy by supporting the operation of local businesses and creating indirect jobs through its many suppliers. In addition, local governments benefit from gross receipts tax revenue on sales and activities within their jurisdictions. The following diagram illustrates the types of businesses and occupations that may be supported through spending made by film and television productions at various stages of the production process.

**FIGURE 8: OVERVIEW OF FILM AND TELEVISION INDUSTRY PROCUREMENT**

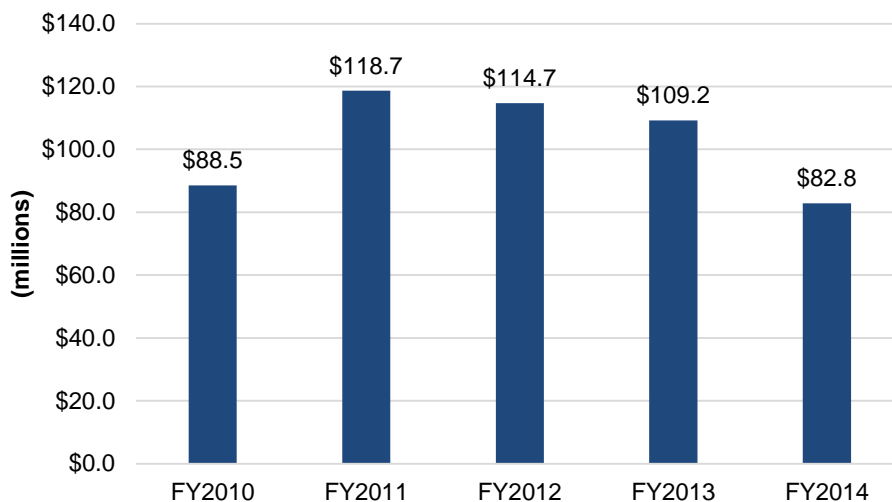


In this section, we provide an overview of the number and types of indirect jobs that are created through industry procurement of goods and services in New Mexico. In addition, this section includes information related to regional procurement of goods and services, procurement patterns by type of major production, as well as a discussion of the impacts of production spending on local businesses.

#### 4.1 INDIRECT EMPLOYMENT CREATED THROUGH PROCUREMENT OF GOODS AND SERVICES

MNP's Phase 1 report<sup>38</sup> provided estimates of the total spending in New Mexico by film and television productions that included a breakdown by expenditure category. As presented in MNP's Phase 1 report, it was estimated that approximately \$513.9 million was spent by film and television productions on the procurement of goods and services in New Mexico between FY 2010 and FY 2014<sup>39</sup>.

**FIGURE 9: TOTAL SPENDING ON GOODS AND SERVICES**



A breakdown of these expenditures is provided in the following table. The largest expenditure categories included spending on equipment rentals, lodging/accommodation, rolling equipment, food and catering services, and construction, representing almost half of total spending on goods and services.

<sup>38</sup> MNP (2014). *New Mexico Film Production Tax Incentive Study: Phase 1 Report*.

<sup>39</sup> Please note that the data sources and methodology used to derive these estimates are described in detail in MNP's Phase 1 report.

**TABLE 11: TOTAL SPENDING BY EXPENDITURE CATEGORY**

Expenditure Category	Total Spending FY 2010 to FY 2014 (in millions)	Share of Total Spending
Equipment Rentals	\$76.6	14.9%
Lodging/Accommodation	\$54.6	10.6%
Rolling Equipment	\$47.1	9.2%
Food/Catering/Food Allowance	\$41.0	8.0%
Construction	\$33.0	6.4%
Location Department	\$29.2	5.7%
Facility/Office Leases/Stages	\$28.7	5.6%
Insurance/Bonding	\$20.8	4.0%
Set Dressing	\$19.2	3.7%
Special effects/Props	\$18.9	3.7%
Travel	\$12.1	2.4%
Wardrobe	\$11.9	2.3%
Fuel/Gasoline	\$11.7	2.3%
Non-Film Vehicles	\$10.3	2.0%
Post production	\$6.5	1.3%
Office Supplies/Furniture	\$6.2	1.2%
Facility/Location Fees	\$2.5	0.5%
Other	\$83.5	16.2%
<b>Total Spending on Goods and Services</b>	<b>\$513.9</b>	<b>100.0%</b>

Source: New Mexico Film Office

As a consequence of these expenditures, the film and television industry is estimated to have supported an additional 3,733 FTE positions indirectly in other industries (Table 12). On an annual basis, this represents approximately 600 to 900 indirect FTEs. (Please note that induced effects, arising from the spending of labor income, accounted for an additional 550 to 850 FTE positions annually).

**TABLE 12: ESTIMATED EMPLOYMENT IMPACTS OF PRODUCTION SPENDING IN NEW MEXICO  
(in FTEs)<sup>40</sup>**

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Total
Direct	1,674	2,178	2,065	1,940	1,457	9,314
<b>Indirect</b>	<b>635</b>	<b>894</b>	<b>844</b>	<b>782</b>	<b>579</b>	<b>3,733</b>
Induced	647	838	805	749	555	3,594
<b>Total</b>	<b>2,956</b>	<b>3,910</b>	<b>3,714</b>	<b>3,471</b>	<b>2,591</b>	<b>16,642</b>

<sup>40</sup> MNP (2014). *New Mexico Film Production Tax Incentive Study: Phase 1 Report*. Available at <http://www.nmfilm.com/Statistics.aspx>.

Through the economic impact analysis carried out in Phase 1, a breakdown of the impacts on an industry by industry basis can be made. Among the industries that benefited through the procurement of goods and services were:

- Motion picture and video industries, including film studios and related facilities (21.6 percent of indirect employment).
- Accommodations, including hotels and motels (13.7 percent of indirect employment).
- Commercial and industrial machinery and equipment rental and leasing (11.9 percent of indirect employment).
- Retail stores (10.9 percent of indirect employment).
- Professional services (10.4 percent of indirect employment).
- Non-residential construction (5.9 percent of indirect employment).
- Transit and ground passenger transportation (5.5 percent of indirect employment).

A breakdown of estimated indirect employment is presented in Table 13.

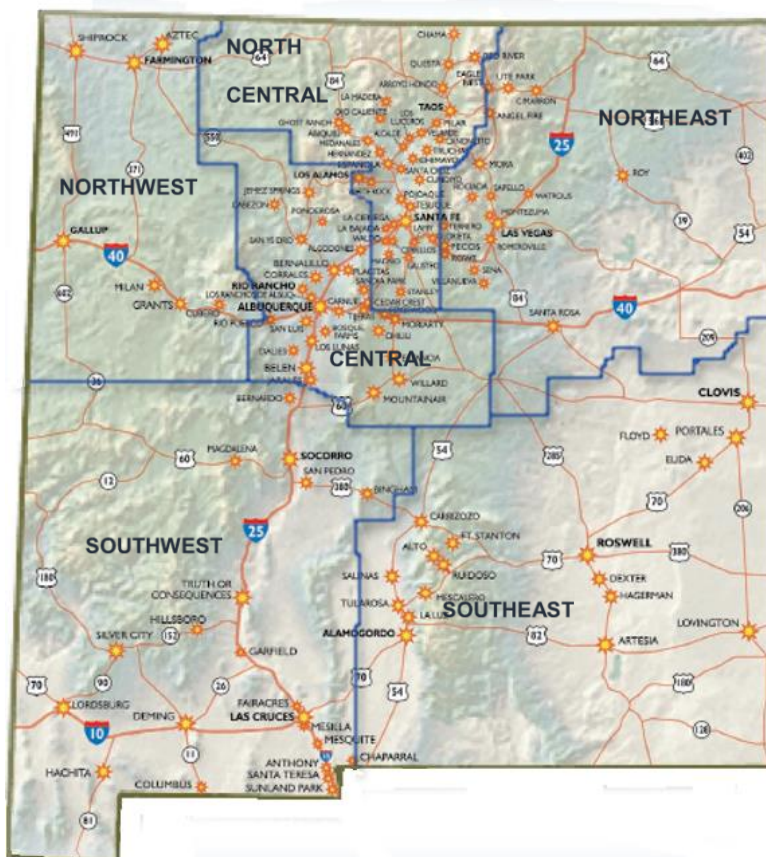
**TABLE 13: BREAKDOWN OF INDIRECT EMPLOYMENT BY INDUSTRY**

Industry	Indirect Employment (FY10 to FY14)	Share of Total Indirect Employment (%)
Motion picture and video industries	806	21.6
Hotels and motels, including casino hotels	512	13.7
Commercial and industrial machinery and equipment rental and leasing	444	11.9
Retail stores	407	10.9
Professional services	388	10.4
Construction, including maintenance and repair	220	5.9
Transit and ground passenger transportation	205	5.5
Real estate establishments	67	1.8
Food services and drinking places	63	1.7
Automotive equipment rental and leasing	60	1.6
Wholesale trade businesses	41	1.1
Couriers and messengers	19	0.5
Automotive repair and maintenance, except car washes	19	0.5
Other	482	12.9
<b>Total</b>	<b>3,733</b>	<b>100.0</b>

## 4.2 REGIONAL SPENDING PATTERNS

Historically, film and television productions have taken place in all regions of New Mexico, with a higher volume in the Central and North Central regions. Figure 10 highlights the locations in which productions have occurred from January 2003 to June 2014. While the map does not indicate the primary filming location, it does provide an indication of the regional dispersion of expenditures made by the film and television industry.

**FIGURE 10: MAP OF PRODUCTIONS IN NEW MEXICO (January 2003 to June 2014)**



Production Map Source: New Mexico Film Office Website

To estimate a regional breakdown of film and television production spending on goods and services, MNP has relied on expenditure data obtained from the New Mexico Film Office<sup>41</sup>. Based on this data, it is estimated that approximately 73 percent of production spending in the state occurred in the Central region, with the North Central region receiving the second largest share of production expenditures (18 percent) and the southern regions receiving the least amount of production spending (Table 14).

<sup>41</sup> The New Mexico Film Office began collecting regional expenditure data from productions starting in 2012. The total amount of New Mexico production spend for which there was a regional breakdown represents approximately 60 percent of total spend in New Mexico over the same time period. It should be noted that the estimates presented are based on only a sample of productions. The results may not be indicative of regional spending patterns year over year.

**TABLE 14: ESTIMATED SHARE OF PRODUCTION SPENDING BY REGION**

Region	Estimated Share of Production Expenditures <sup>42</sup>
Central	73.1%
North Central	18.4%
Northeast	5.3%
Northwest	2.5%
Southeast	0.3%
Southwest	0.5%
<b>Total</b>	<b>100%</b>

Table 15 lists the cities in New Mexico that are estimated to have the highest share of production spending. It is estimated that Albuquerque received over 50 percent of production spending in New Mexico over the past three years (FY12 to FY14).

**TABLE 15: TOP TEN LOCATIONS WITH HIGHEST SHARE OF PRODUCTION SPENDING**

Location	Estimated Share of Production Expenditures <sup>43</sup>
Albuquerque	53.3%
Santa Fe	12.6%
Rio Puerco	11.8%
Angel Fire	3.1%
Lamy	2.9%
Belen	2.7%
Las Vegas	1.9%
Bernalillo	1.2%
Farmington	1.0%
Corrales	1.0%
Other	8.5%
<b>Total</b>	<b>100%</b>

<sup>42</sup> Based on a sample of productions taking place in New Mexico between FY 2012 and FY 2014.

<sup>43</sup> Based on a sample of productions taking place in New Mexico between FY 2012 and FY 2014.

### 4.3 PROCUREMENT OF GOODS AND SERVICES BY TYPE OF PRODUCTION

Based on data obtained from the New Mexico Film Office, the following table compares the distribution of spending on various goods and services across different types of productions. The analysis includes only major productions (defined as those with a total budget of over \$1 million), for which a reliable breakdown of expenditures was available<sup>44</sup>.

Overall, spending by major feature films and television series showed a similar expenditure pattern. Major television series, however, spent a greater share of total spending on equipment rentals and facilities, office leases and stages compared with major feature films, and appeared to spend a smaller share of total spending on lodging and accommodation. Other major productions including video games, standalone post production activities and various content-based television programming, while smaller in total budget<sup>45</sup>, spent a greater share of total spending on facilities, office leases and stages, post-production services, and facility and location fees.

**TABLE 16: SPENDING PATTERNS BY TYPE OF PRODUCTION**

Spending Category	Major Feature Films	Major Television Series	Other Major Productions
Equipment Rentals	13.9%	17.6%	0.1%
Lodging/Accommodation	11.3%	9.5%	4.7%
Rolling Equipment	9.1%	10.2%	0.0%
Food/Catering/Food Allowance	7.1%	6.5%	0.2%
Construction	7.1%	6.1%	0.7%
Location Department	5.6%	7.6%	0.0%
Facility/Office Leases/Stages	3.8%	8.4%	27.4%
Insurance/Bonding	4.9%	0.0%	0.0%
Set Dressing	3.4%	5.0%	0.0%
Special effects/Props	3.9%	3.1%	0.0%
Travel	2.2%	2.5%	3.5%
Wardrobe	2.2%	2.9%	3.0%
Fuel/Gasoline	2.3%	2.8%	0.0%
Non-Film Vehicles	2.0%	2.7%	0.9%
Post production	0.2%	0.5%	33.0%
Office Supplies/Furniture	1.0%	1.4%	0.0%
Facility/Location Fees	0.2%	3.2%	19.5%
Other	19.8%	9.9%	7.0%
<b>Total Spending on Goods and Services</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Source: New Mexico Film Office

<sup>44</sup> Data for FY 2010 was excluded from the analysis due to differences in the way in which data was collected and reported prior to FY 2011.

<sup>45</sup> For more information, see Appendix B.



## 4.4 IMPACT ON LOCAL BUSINESSES

According to interviews conducted by MNP, film and television production spending produced financial benefits for businesses during filming periods, and helped to create and support spin-off companies and enterprises.

As illustrations of this impact, interviewees suggested that:

- To accommodate the needs of large productions, new companies specializing in a range of services, such as lighting and grip, makeup trailers, and equipment rentals, have opened up on-site at studio locations.
- Individuals and businesses in non-film related industries have benefited from spending made by productions. For example: teachers were hired to educate resident child actors while on set; business owners leased their facilities or warehouses for use as filming locations; and local companies added new lines of products in response to the needs of production filming.
- New jobs have been created to accommodate individuals employed by a film or television production. For example, Studio Concierge, a company that specializes in servicing the film and television industry, noted an increase in demand for personal services, such as nannies and personal chefs.
- Retailers were reported to have noticed a peak in revenues that were attributed to expenditures made during the filming of a large production.

A noteworthy example of how production spending produced financial benefits for local businesses was provided by the television series *Breaking Bad*. According to a vendor list for the series, many New Mexico businesses and services were engaged by the series, including lumber yards, antique stores, limousine companies, hotels and caterers.

Table 17 provides information pertaining to local and non-local vendors and suppliers that provided accommodations, materials and supplies, catering, travel, employee and production services during the filming of *Breaking Bad* Season Two. The table demonstrates that the number of local New Mexico vendors (57 service or supply providers) was greater than the number of out-of-state vendors (24 service or supply providers).

**TABLE 17: SUMMARY OF VENDORS FOR BREAKING BAD SEASON TWO**

Location		Services Provided for Breaking Bad Season 2								
		Accommodations	Materials and Supplies <sup>46</sup>	Food and Catering	Travel	Production Services <sup>47</sup>	Employee Services <sup>48</sup>	Physician Services	Other Services and Supplies	TOTAL
Local Vendors	Albuquerque	3	29	1	2	2	4	1	10	
	Santa Fe	0	1	0	0	1	0	0	1	
	Rio Rancho	0	0	0	1	0	0	0	0	
	Other	0	1	0	0	0	0	0	0	
	Total	3	31	1	3	3	4	1	11	57
Non-local Vendors	California	0	6	0	1	10	4	0	1	
	Kansas	0	0	0	0	0	1	0	0	
	North Carolina	0	1	0	0	0	0	0	0	
	Total	0	7	0	1	10	5	0	1	24

Spending on hotel accommodation can comprise a significant share of expenditures incurred by film and television productions. As estimated previously in Table 11, spending on hotel accommodations is estimated to equal over 10 percent of total procurement spending by productions.

According to data provided by Studio Concierge, the company facilitated hotel bookings in New Mexico for over 45 film and television productions in a four-year period from 2011 to 2014. These bookings accounted for over 113,200 hotel room nights over four years, or an average of 28,300 hotel room nights per year. This represented approximately 2,500 hotel room nights per production.

Based on the data from Studio Concierge, bookings for film and television productions in New Mexico from 2011 to 2014 were made across 70 hotel properties located throughout the state. In addition to properties in Albuquerque, Las Cruces, and Santa Fe, the hotels were also located in smaller communities, including Los Lunas, Las Vegas, Ruidoso, and Santa Ana Pueblo. As a result, spending on hotel accommodation is expected to have had an impact on local businesses across New Mexico.

<sup>46</sup> Materials and supplies refer to all items used on location or in studio to support operations (e.g., make up, hardware supplies, camera equipment, etc.).

<sup>47</sup> Production services includes but is not limited to film editing, audio/visual services, and final production activities.

<sup>48</sup> Employee services refers to guilds, unions, insurers, security, and other services which serve film crews and casts as well as studio staff.

## 5 SUMMARY

This report contains the results of Phase 2 of a four phased study of the New Mexico film and television industry that is anticipated to continue through June 2017. The main goals of this phase were to analyze and report on the direct employment effects and procurement impacts of the film tax incentive in New Mexico.

The following are the main conclusions of Phase 2 related to direct film and television industry employment:

- Over the fiscal years 2010 through 2014, the industry supported annual employment of between 2,500 and 4,000 direct, indirect and induced full-time equivalent positions for residents of New Mexico. The majority of positions (ranging between 1,400 and 2,200 annually) were positions within the New Mexico film and television industry while the remainder were from a range of supporting industries.
- Direct jobs created by the film and television industry included positions in the following categories: key creative team (e.g. directors, producers and writers), performing artists (e.g. actors/actresses, stunt performers and extras), production office, camera department, technical trade workers, post production and other support services.
- Technical trade workers comprised the majority (approximately 56 percent) of direct employment. Within the technical trade job category, the majority of employment was in the set, electric, grip and construction departments, which were estimated to comprise 58 percent of technical trade positions.
- Residents of New Mexico accounted for approximately 74 percent of all positions hired by productions and approximately 70 percent of all managerial positions. The remainder were filled by non-residents.
- Approximately one-fifth of all positions held by New Mexico residents were managerial positions (approximately 20 percent).
- The majority of positions held by New Mexico residents met the minimum weekly hours for full-time employment (67 percent). Not including performance artists, 74 percent of positions held by New Mexico residents were full time positions. On average, employees in full-time positions worked in excess of 50 hours per week. According to industry representatives, full year employment would be achieved in 7 to 10 months; however, it is difficult to determine the number of individuals that achieved this.
- The average hourly compensation for an occupation in the film and television industry is typically higher than the hourly compensation for the same occupation in other industries in New Mexico, and is also higher than the average hourly wage across all industries and occupations in New Mexico<sup>49</sup>.
- It is estimated that the majority of positions held by New Mexico residents in the film and television industry included employee benefits, such as health coverage and pension plans, funded primarily through employer contributions.
- Most direct positions are relatively skilled positions that require post-secondary education, work experience or on-the-job training.

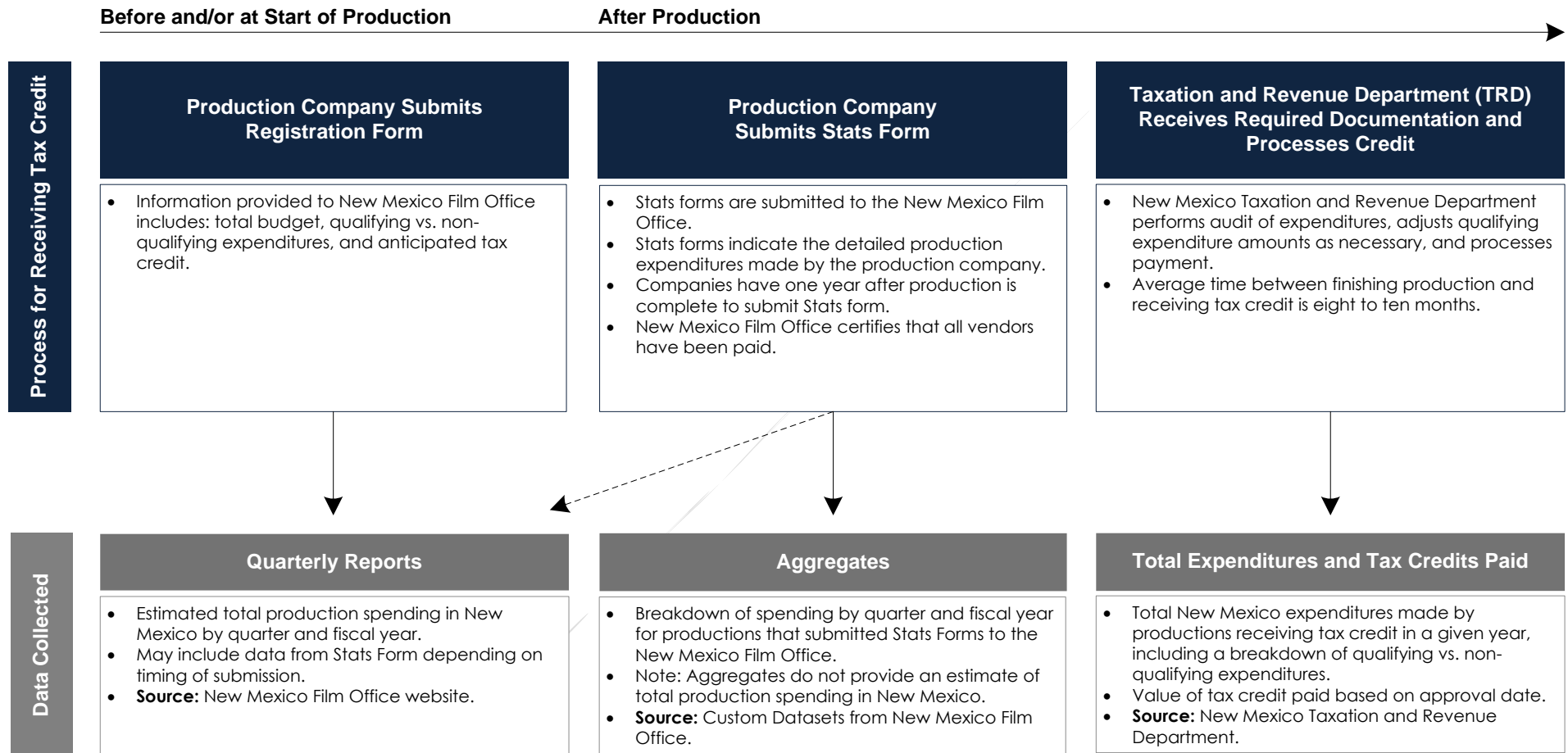
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<sup>49</sup> Please note that the statewide average hourly wage rate is similar to the average hourly wage rates in Albuquerque and Santa Fe, where the majority of film and television production takes place. According to the Bureau of Labor Statistics, the hourly wage rate across all industries and occupations in Albuquerque and Santa Fe was \$20.92 and \$20.43 respectively. (U.S. Bureau of Labor Statistics, Occupational Employment Statistics (OES) survey, mean hourly wage as of May 2014).

The following are the main conclusions of Phase 2 related to industry procurement of goods and services:

- The film and television industry engaged a wide variety of local businesses for the procurement of goods and services. It is estimated that approximately \$513.9 million was spent by film and television productions on the procurement of goods and services in New Mexico between fiscal years 2010 and 2014. The largest expenditure categories included spending on equipment rentals, lodging/accommodation, rolling equipment including trucks, trailers, cranes and other vehicles, food and catering services, and construction, representing almost half of total spending on goods and services.
- As a consequence of these expenditures, the film and television industry is estimated to have supported 600 to 900 indirect full-time equivalent positions on an annual basis.
- It is estimated that approximately 73 percent of total production spending in the state (on both labor and the procurement of goods and services) occurred in the Central region, which includes Albuquerque. The North Central region, encompassing Santa Fe, received the second largest share of production expenditures (18 percent). The southern regions received the least amount of production spending.

## Appendix A. New Mexico Film Production and Tax Incentive Data Collection Process



## Appendix B. Production Spending by Type of Production

Information obtained from the New Mexico Film Office allows for an assessment of film and television spending in New Mexico by type of production (namely, feature film, television series or other type of production). For this analysis, we have included only major projects with a total budget of \$1 million or more<sup>50</sup>. The data is based on self-reported expenditure data and represents approximately 86 percent of all major productions occurring in New Mexico between FY 2010 and FY 2014.

The findings of the analysis are highlighted in Table B-1.

**TABLE B-1: PRODUCTION SPENDING IN NEW MEXICO BY TYPE OF PRODUCTION (millions)**

Type of Production	Total Spending by Sample Productions (FY10 to FY14)	Number of Productions <sup>51</sup>	Average Spending <sup>52</sup>	Median Spending
Major Feature Film	\$546.2	57	\$9.6	\$4.0
Major Television Series	\$303.2	24	\$12.6	\$9.3
Other Major Productions <sup>53</sup>	\$16.7	5	\$3.3	\$3.3
<b>All</b>	<b>\$866.1</b>	<b>86</b>	<b>\$10.1</b>	<b>\$4.2</b>

The findings suggest that major feature films have historically accounted for a significant amount of production expenditure in New Mexico, followed closely by major television series. However, spending in New Mexico by major feature films appears to vary to a greater extent than major television series (represented by the relative difference between the average spending and median spending figures).

On a per production basis, major television series appear to have attracted a greater amount of in-state spending compared with major feature films and other types of major productions.

<sup>50</sup> Although a feature film produced in New Mexico may have a total budget of over \$1 million, the amount spent in New Mexico may be less than this amount due to spending that occurred in other regions. These productions have been included in the analysis.

<sup>51</sup> The sample represents approximately 86 percent of major feature films, 83 percent of major television series and 100 percent of other major productions that occurred in New Mexico between FY 2010 and FY 2014.

<sup>52</sup> Includes qualifying (rebatable) expenditures and non-qualifying (non-rebateable) expenditures if reported.

<sup>53</sup> Examples of other major productions include video games, post production activities and various content-based television programming.

## Appendix C. Occupational Profiles

This Appendix contains occupational profiles for the following job categories:

1. Key Creative Team
2. Production Office
3. Camera
4. Accounting Department (Technical Trade)
5. Art Department (Technical Trade)
6. Construction, Paint and Scenic Department (Technical Trade)
7. Hair and Makeup Department (Technical Trade)
8. Lighting Department (Technical Trade)
9. Sound Department (Technical Trade)
10. Special Effects Department (Technical Trade)
11. Post Production
12. Transportation Department (Other Support Services)

Each of the 12 occupational profiles provides an overview of positions, educational requirements, work experience requirements, and employment outlook.

Information for the profiles was based on the following sources:

- Examples of positions: New Mexico Film Office Glossary of Positions<sup>54</sup>.
- Educational requirements: U.S. Bureau of Labor Statistics Occupational Outlook Handbook (OOH).
- Work experience: O\*NET™, a trademark registered to the U.S. Department of Labor, Employment and Training Administration.

All information for New Mexico can be found through the New Mexico Workforce Connection Labor Market Statistics by searching individual occupational profiles.<sup>55</sup>

<sup>54</sup> Job descriptions can be found here: [http://www.nmfilm.com/Crew\\_Position\\_Glossary.aspx](http://www.nmfilm.com/Crew_Position_Glossary.aspx)

<sup>55</sup> Occupational Profiles can be accessed here:  
<https://www.jobs.state.nm.us/vosnet/drills/occupation/occdri11.aspx?enc=e7AKr7bjUGRBEdrMte14USBBfJUBhMpVqPt10T+E/tJaBE4pALiAY+Os1uYEarNJ>

## Key Creative Team

### Examples of Positions

**Producer** – The Producer is involved with all aspects of the project. This may include the development of idea, having the script written, or acquiring the rights of the story/script as well as promoting the project and obtaining financing. The Producer and/or Executive producer can also hire the Director and supervise the hiring of other key personnel, such as a Line Producer and Unit Production Manager (who then in turn hires the department Heads/Keys).

**Director** – The Director leads the production of the project and participates in all the creative aspects. The Director works with the Executive Producer (independent or studio) and oversees the camera, art and casting departments as well as his/her Assistant Directors. The Director also manages and consults with the Director of Photography (DP), the Gaffer, the Stunt Coordinator, the Special Effects Coordinator, and the Script Supervisor. The Director hires the Production Designer; may request that specific crew members be hired; selects the First Assistant Director (1st AD) and the Script Supervisor; casts the Principal Talent; and approves filming locations (as budget or Producer allows). The Director must also agree upon wardrobe, sets and special props. He/she gives one of the authorizations for final budget sign-off. The Studio or Executive Producer may or may not have the final say over the choice of a Director.

**Writers** – Writers include those who write or co-write an original script, screenplay or an adaptation of a previously written work. They may write television episode(s) or be contracted for re-writes for any genre including promotions. (Visit the Writer's Resource Page on the Writers' Guild of America West, website [www.wga.org](http://www.wga.org) for additional information).

### Educational Requirements

Usually require at least a Bachelor's degree. However, not all employers may make this a hiring requirement.

### Work Experience

Employees in these occupations usually need several years of work-related experience, on-the-job training, and/or vocational training.



Production Office

Examples of Positions

**Production Officer Coordinator** - The Production Office Coordinator (POC) is the chief administrative assistant to the Unit Production Manager and handles all tasks related to the organization of production. Working with other departments, they will help organize casting sessions, locations scouts, office meetings and production meetings. The POC is in charge of setting up and running the office.

**Assistant Production Office Coordinator** – An Assistant Production Office Coordinator (APOC) is responsible for all general office work including disseminating pertinent information like script revisions and shooting schedules.

**Production Secretary** – A Production Secretary acts just as a secretary does in the real world, providing secretarial support to the production. On some productions the Production Secretary will also be the Travel Coordinator.

**Office Production Assistants** – Office Production Assistants’ (Office PAs) duties include copying, collating, script delivery, running errands and getting coffee. The duties of this job vary greatly, but can include anything that needs to be done in the office. If there are several PAs, a Key PA may be designated. A Key PA’s responsibilities may overlap with those of the Production Secretary.

Educational Requirements

Secretaries usually require at least Moderate-term on-the-job training. Production assistants usually require at least Short-term on-the-job training. However, not all employers may make these hiring requirements.

Work Experience

Secretaries usually need one or two years of training involving both on-the-job experience and informal training with experienced workers. A recognized apprenticeship program may be associated with these occupations. Production Assistants need anywhere from a few days to a few months of training. Usually, an experienced worker could show you how to do the job.

## Camera

### Examples of Positions

**Director of Photography** - The Director of Photography (DP) sets the photographic style of the motion picture. The DP upon consultation with the Director composes all shots including lens selection, camera position, filters, and dollies. He/she directs the lighting, instructs the lab in the processing of the film, and participates in post-production in-color timing and video transfer. The DP hires the Camera Operator(s) as well as the Gaffer/Chief Lighting Technician and Key Grip.

**Camera Operator** - The Camera Operator works directly with the DP and runs the actual operation of the camera during shooting and certifies that correct technical requirements are met. The position requires having experience in First and Second Assistant Camera positions.

**Camera Assistants** - The *First Assistant Camera Person (1st AC or Focus Puller)* is responsible for checking, preparing, and cleaning the camera, all lenses, filters and magazines. This is a very technical position as he/she must maintain the correct focus and exposure. After each shot or camera set-up, the gate is checked for dust and scratches. They keep the shot lists as well. The 1st AC, similar to that of a Best position, also hires additional camera crew. The *Second Assistant Camera Person (2nd AC) and Camera Loader* are one in the same; however, sometimes there may be a Camera Trainee/PA or a Film Loader available on set to assist. The 2nd AC is in charge of the inventory of film and oversees the undeveloped negative. They are responsible for loading and unloading magazines, labeling all film cans and preparing cans for the lab. The 2nd AC maintains all records and paperwork for the camera department. They will write camera department reports, sometimes referred to as dope sheets that list all completed shots per the script. They also mark and operate the slate (clapper) signaling the beginning of a shot. The 2nd AC also marks actors and props to assist with the distance and focus of a shot throughout a scene. The extent of the responsibilities depends upon the type of project and available crew. (Note: this position is referred to as the Clapper Loader in other parts of the world such as in the UK and in commonwealth countries).

### Educational Requirements

Usually require at least Moderate-term on-the-job training. However, not all employers may make this a hiring requirement.

### Work Experience

Usually need one or two years of training involving both on-the-job experience and informal training with experienced workers. A recognized apprenticeship program may be associated with these occupations.

## Accounting Department (Technical Trade)

### Examples of Positions

**Head Accountant** – The Head Accountant is responsible for all accounting aspects for the production. He/she sets up bank accounts, accounting systems and pays all bills.

**Payroll Accountant** – Payroll Accountant works specifically with payroll companies, entering in all necessary financial data to get people paid. These accountants must be aware of contractual obligations with the film unions and guilds as well as federal and local requirements. On larger productions Payroll Accountants may hire Payroll Clerks to assist them.

**Accountants** – First, Second, and Second Second Accountants all work to assist the Head Production Accountant.

**Accounting Clerk** – Accounting Clerk is an entry level position. Clerks mainly post entries and help with filing.

### Educational Requirements

Accountants usually require at least a Bachelor's degree while clerks usually require at least moderate-term on-the-job training. However, not all employers may make this a hiring requirement.

### Work Experience

Accountants usually need several years of work-related experience, on-the-job training, and/or vocational training while clerks usually need one or two years of training involving both on-the-job experience and informal training with experienced workers. A recognized apprenticeship program may be associated with clerk occupations.

## Art Department (Technical Trade)

### Examples of Positions

**Art Director** – The Art Director is right under the Production Designer and assists the art department with all administrative work. He/she collaborates with the Set Designer and is the liaison with all the above mentioned departments. The Art Director assists in overseeing the artists and crew building the sets.

**Art Department Coordinator (ADC)** – Art Department Coordinator (ADC) handles the coordination of the art departments and requires extensive organizational and administrative skills. The ADC is the communication liaison for the Art Director and all the art department Heads. Duties may also include researching, scheduling deliveries/pick-ups and assisting with the logistics of rentals.

**Production Designer** – The Production Designer has the key role that oversees the overall look of the film, working directly with the Producer and Director. He/she produces sketches and illustrations for scenery, designs sets, props and set dressing, including (yet not limited to) small scale models. This position heads the art department which includes the “sub” departments of set decoration, construction, greens, paints, props, hair, make-up and costumes – all the tangibles that make-up the scenes to match the script. Production Designers will often go on scouts with the Director and Producer. The Production Designer will even interface with the Location Manager and the Special Effects Coordinator.

**Scenic Artists** – Scenic Artists handle creating and printing of scenic backdrops during pre-production.

**Story Board Artist** – A Story Board Artist creates visuals of the script. Often with amendments by the Production Designer, these visuals are given to the Set Designers and Draftsmen to create technical set designs, mock-ups and models. These visual instructions are then given to all art department Heads/Keys to create all of the scenery encompassed in principal photography.

### Educational Requirements

Art Directors usually require at least Work experience, plus bachelor's degree. However, not all employers may make this a hiring requirement. Artists usually require at least Long-term on-the-job training. However, not all employers may make this a hiring requirement.

### Work Experience

Art Directors usually need several years of work-related experience, on-the-job training, and/or vocational training. Artists usually need one or two years of training involving both on-the-job experience and informal training with experienced workers. A recognized apprenticeship program may be associated with these occupations.

## Construction, Paint and Scenic Department (Technical Trade)

### Examples of Positions

**Construction Coordinator** – The Construction Coordinator is the head of the construction department. His/her main focus is working with the Production Designer and Art Director, and ordering materials as needed. They also are in charge of hiring and scheduling of construction crew.

**Greensman** – Greensman is responsible for all plant material to be used on film. Larger departments may have a Head Greens.

**Painters** – Painters are responsible for the painting and aging of set walls and signs, on and off the set

**Propmaker Foreman** – Propmaker Foreman supervises the construction crew in all aspects of building sets – the carpentry. He/she may be referred to as the Gang Boss; or additional Gang Bosses will be hired who will work under the Foreman. There also may be other Foremen hired for Labor, Greens, Painters and Toolmen.

**Propmaker** – Propmaker is a crafts-person who performs the actual building of sets with skills similar to those of a carpenter. Other positions may include a Toolman, Plasterer (dry wall and/or adobe), Mason, Welder, Sheet Metal Fabricator and Utility Technician or Labor.

### Educational Requirements

Usually require at least Moderate-term to Long-term on-the-job training. Helpers and landscapers usually only require Short-term on-the-job training. Not all employers may make these hiring requirements.

### Work Experience

Usually need anywhere from a few months to one year of working with experienced employees. A recognized apprenticeship program may be associated with these occupations. Landscapers need anywhere from a few days to a few months of training. Usually, an experienced worker could show you how to do the job.

## Hair and Make-up Department (Technical Trade)

### Examples of Positions

**Key Hair Stylist** - The Key Hair Stylist handles all hair styling for Actors including coloring and wigs.

**Assistant Hair Stylist** - An Assistant Hair Stylist assists the Key Hair Stylist. Crew must know styles of the script's era and track continuity of scenes.

**Key Make-up Artist** - The Key Make-up Artist handles the make-up for all Actors, including cosmetics, facial hair and prosthetics.

**Assistant Make-up Artist** - An Assistant Make-up Artist assists the Key Make-up Artist. Key Make-up Artists and their Assistants know a variety of techniques, including air-brush systems and can often create bruises, black-eyes and even tattoos. Crew must know who to apply make-up for the era of the script and must track continuity of scenes.

### Educational Requirements

Usually require at least Post-secondary vocational training. However, not all employers may make this a hiring requirement.

### Work Experience

Usually need one or two years of training involving both on-the-job experience and informal training with experienced workers. A recognized apprenticeship program may be associated with these occupations.

## Lighting Department (Technical Trade)

### Examples of Positions

**Gaffer** – The Gaffer (also known as the Chief Lighting Technician) is most often hired by the Director of Photography (DP) and reports to the DP. The Gaffer is typically involved in the lighting plan and implements it. He/she is in charge of the electric department; therefore, supervises the preparation, rigging and wrapping of the department crew. On the set, the Gaffer places lights and takes light readings for the DP. They are expected to be able to match gels (plastic sheeting) to the desired color and achieve a variety of lighting effects, whether it is city or country, day or night, wind or rain, etc.

**Best Boy Electric** – The Best Boy Electric is the right-hand of the Gaffer in all areas. He/she is responsible for department timesheets as well as ordering, tracking and shipping equipment. The Best Boy Electric is responsible for hiring department crew and scheduling day-players (additional help) as needed.

**Electrician** – Electricians are considered “thirds” per department ranking and union contracts. They are responsible for the movement and set-up of all lighting equipment as directed by the Best Boy Electric and/or the Gaffer.

### Educational Requirements

Electricians usually require at least Long-term on-the-job training. However, not all employers may make this a hiring requirement.

### Work Experience

Employees in these occupations usually need one or two years of training involving both on-the-job experience and informal training with experienced workers. A recognized apprenticeship program may be associated with these occupations.

## Sound Department (Technical Trade)

### Examples of Positions

**Sound Mixer** – The Sound Mixer works on-set and is in charge of all direct sound recording. It is essential that they supervise the correct positioning of all microphones and sound levels of the monitors. They are accountable for the complete sound recording. They also handle any paperwork for the sound department and deliver sound dailies to the Second Assistant Director (2nd AC). The Sound Mixer also maintains all sound department equipment. They may work in post-production with the Senior Editor. (“Sound Designer” is a vague term and can be interpreted differently on different projects).

**Boom Operator** – The Boom Operator is tasked with operating the “boom” which is a long pole with a directional microphone that must be held above the Actors. The boom cannot fall into the picture frame or cast a shadow. It is very physically demanding as a boom must be held high overhead for long time periods.

**Utility Sound Person** – A Utility Sound Person (aka “Cable Man”) assists the Sound Mixer and Boom Operator in moving the sound equipment. Utility Sound runs cables and makes sure all connections are secure.

### Educational Requirements

Sound Engineering Technicians usually require at least Post-secondary vocational training while equipment technicians usually require at least Long-term on-the-job training. However, not all employers may make these hiring requirements.

### Work Experience

Sound Engineering Technicians usually need one or two years of training involving both on-the-job experience and informal training with experienced workers. A recognized apprenticeship program may be associated with these occupations.



## Special Effects Department (Technical Trade)

### Examples of Positions

**Special Effects Coordinator** – The Special Effects Coordinator heads the effects department, which is responsible for all explosions, gunshots, mechanical effects, and atmospheric effects (rain, snow, fog) that take place on the set during a shot. They will work with the Stunt Coordinator and the Special Effects Make-up Artist and at times the Property Master and/or the Construction Coordinator.

**Special Effects Foreman** – A Special Effects Foreman assists the Coordinator with all tasks, including hiring crew and completing timesheets for the department.

**Special Effects Technicians** – Special Effects Technicians are ranked third in this department. They operate and maintain all special effects equipment as directed by the Foreman (i.e. fans, rain, etc.). However they may also be responsible for laborious tasks, such as digging ditches. Note: special effects is not the same as visual effects. Visual effects often correlate with computer generated imagery (CGI) which may be added during editing or in post- production.

### Educational Requirements

Usually require at least a Bachelor's degree. However, not all employers may make this a hiring requirement.

### Work Experience

Usually need several years of work-related experience, on-the-job training, and/or vocational training.

## Wardrobe Department (Technical Trade)

### Examples of Positions

**Costume Designer** – The Costume Designer produces designs and sketches for all costumes and oversees the acquisition of all costumes and accessories.

**Costumer** – Costumers handle the processing of all costumes as they arrive and are shipped back to rental houses. They inventory all costumes and make alterations as required. Polaroid’s assist with tracking continuity especially when there are a number of Extras required for multiple scenes.

**Set Costumers** – Set Costumers prepare and assist with the costuming of the Actors during shooting on the set.

**Seamstresses/ Tailors** – Seamstresses/Tailors make alterations to wardrobe and work as needed. They typically do not work consistently on a production. Per the Wardrobe Supervisor, a Buyer/Stylist purchases any items that will be used “off the rack” for Extras and Actors – that is straight from clothing stores.

### Educational Requirements

Fashion Designers usually require at least a Bachelor's degree. However, not all employers may make this a hiring requirement. Tailors, Dressmakers, and Custom Sewers may require at least Work experience in a related occupation.

### Work Experience

Fashion Designers and Tailors, Dressmakers, and Custom Sewers usually need one or two years of training involving both on-the-job experience and informal training with experienced workers. Costume Attendants need anywhere from a few months to one year of working with experienced employees. A recognized apprenticeship program may be associated with these occupations.

## Post Production

### Examples of Positions

**Post Production Manager** – Post-Production Manager (also called Supervisor) reports directly to the Producer and/or the studio in charge of the feature. They must finish the film on time and on-budget while satisfying the wants of the Director. They must control all vendors, such as optical houses and sound facilities, and all activities. This includes supervising inserts, ADR (Automatic Dialogue Replacement), re-shoots, CGI (Computer Generated Imaging), score, color timing and video mastering. They ensure distributor delivery requirements and legal clearances and oversee preview screenings. They must budget the movie through delivery.

**Post-Production Supervisors** – Post-Production Supervisors have authority over Post-Production Coordinators (who in turn oversee any additional Post-Production Assistants). Their duties may include ensuring the smooth operation of the editorial department, coordinating the production and delivery of final components, scheduling and coordinating ADR sessions, managing post-accounting and documents related to wrap, as well as maintaining proper storage of final audio/video masters and (offline) editorial materials.

**Script Supervisor** – The Script Supervisor notes are an essential reference. Sophisticated digital editing systems such as AVID and Lightworks are often utilized. However, editing software like Final Cut Pro is user friendly for filmmakers of all levels. After the first cut is assembled (editor's cut), the Director will make a cut and then the Producer may make the final cut. Often these cuts are done as a group.

**Senior Editor/Assistant Editors** – Senior Editor and Assistant Editors work with dailies (Director's selected takes from principal photography) and assemble the "order" of the film.

**Sound Designer** – A Sound Designer works with the Director to form the overall soundtrack for the project. Sometimes a Designer may be brought in for specialized sounds; however, there is always one person overseeing sound editing, ADR (Automatic Dialogue Replacement) and dubbing. This work is often completed at a sound effects house, most of which is digital. During pre-production they will also work with the Sound Mixer and other on-set production Heads to ensure continuity and script integrity. However, final sound effects, Foley, and dialogue Editors finalize their work after the lock in of the picture (Producer's Cut).

**Music Supervisor** – The Music Supervisor is a management/marketing position for those with fervor for music. They tend to work on freelance basis, networking at film festivals to establish relationship with filmmakers (potential clients). Music Supervisors review and select the music for film and television projects per guidance from the Director, Producers and Composers. Their creative input varies. They may be expected to concentrate on licensing deals and contracts only and/or coordinate the work of the Composer, the Editor and Sound Mixer. Note: Musicians are considered performers if they appear in the project (per union/guild contracts). Songs chosen for a film may be pitched to the Director by the Music Supervisor. Musicians may consider submitting a demo to a Music Supervisor. The New Mexico Music Commission is a resource for local musicians: [www.newmexicomusic.org](http://www.newmexicomusic.org).

**Music Composer** – The Music Composer creates the (original) score specifically for the (entire) project or "rips" one from their existing compositions. They often have well established relationships with Directors. They also tend to be associated with certain musical genres within the industry or beyond. (Some Composers may have transitioned from a traditional music career such as a conductor). Composers tend to also have excellent marketing and self-promotion skills prior to becoming established. Composers may be members of the American Society of Composers, Authors and Publishers (ASCAP).

**Foley Artists** – Foley Artists work under the Sound Designer and record sound effects that involve physical movement and synchronizing the sound with the action on the screen.

**Educational Requirements**

Film and Video Editors usually require at least a Bachelor's degree while music composers and arrangers usually require at least Work experience, plus bachelor's degree. However, not all employers may make this a hiring requirement.

**Work Experience**

Employees in these occupations usually need one or two years of training involving both on-the-job experience and informal training with experienced workers. A recognized apprenticeship program may be associated with these occupations.

## Transportation Department (Other Support Services)

### Examples of Positions

**Transportation Coordinator** – Transportation Coordinator arranges for all transportation for the equipment required for the cast and crew (when on location). This includes all trucks, autos, and equipment on wheels.

**Transpo-Captain** – Transpo-Captain handles scheduling of drivers and usually acts as a driver.

**Production Van Drivers** – Production Van Drivers drive production vans with cast and crew to locations.

### Educational Requirements

Usually require at least Short-term to Moderate-term on-the-job training. However, not all employers may make this a hiring requirement. Depending on the vehicle driven, may require specific driver's license.

### Work Experience

Passenger vehicle drivers need anywhere from a few days to a few months of training. Usually, an experienced worker could show you how to do the job. Heavy and Tractor-trailer Truck Drivers need anywhere from a few months to one year of working with experienced employees. A recognized apprenticeship program may be associated with these occupations.

## Appendix D. New Mexico Film and Television Industry Wage Rates

The following table indicates the effective wage rates of a number of New Mexico film and television industry positions based on an average full time work week of 50 hours per week. The wage rates are contracted wage rates based on union Area Standard Agreements, unless otherwise noted.

Title	Tier	Effective Wages		
		Theatrical Motion Pictures	Pilots, long-form and 1st year episodic series	All other television
		50 hr/week	50 hr/week	50 hr/week
KEY CREATIVE TEAM				
Producer	Key	♦		
Directors	Key	♦		
Screenwriter	Key	♦		
CAST				
Performing Artists	Artist	♦		
Stunt Performers	Artist	♦		
Extras	Artist	♦		
PRODUCTION DEPARTMENT				
Line Producer	Key	n/a	n/a	n/a
Production Manager	Key	n/a	n/a	n/a
Production Coordinator	Key	♦	♦	♦
Production secretary	Utility	n/a	n/a	n/a
Post-production Supervisor	Key	n/a	n/a	n/a
Assistant Directors	Second	n/a	n/a	n/a
Script supervisor	Key	\$34.67	♦	♦
Stunt Coordinator	Second	n/a	n/a	n/a
Production Assistants	Entry	n/a	n/a	n/a
ACCOUNTING				
Head Accountant	Utility	n/a		
Payroll Accountant	Utility	n/a		
Accountant	Utility	n/a		
Accounting Clerks	Utility	n/a		
CAMERA				
Director of photography/ Cinematographer	Key	n/a		
Camera Operators	Utility	n/a		
Camera Assistants	Utility	n/a		
Loader		n/a		
TRANSPORTATION				
Coordinator	Key	n/a		
Captain/co-Captain	Second	n/a		
Drivers	Utility	n/a		

<b>ART DEPARTMENT</b>				
Production Designer	Key	n/a	n/a	n/a
Art Director	Key	n/a	n/a	n/a
Set Designer	Key	n/a	n/a	n/a
Art Department Coordinator	Key	♦	♦	♦
<b>CONSTRUCTION, PAINT &amp; SCENIC</b>				
Coordinator	Key	\$34.67	♦	♦
Foreman	Second	\$34.67	♦	♦
Gang Boss	Utility	\$31.63	\$30.29	\$30.90
Scenic Foreperson	Utility	\$31.63	\$30.29	\$30.90
Scenic Artist	Utility	\$31.63	\$30.29	\$30.90
Sign Painters/Writers	Utility	\$31.63	\$30.29	\$30.90
On Set Painters	Utility	\$31.63	\$30.29	\$30.90
Draftsperson	Utility	\$28.61	\$27.35	\$27.90
Shop Crafts Person	Utility	\$28.61	\$27.35	\$27.90
Prop/Model Makers	Utility	\$28.61	\$27.35	\$27.90
Construction Divers	Utility	\$28.61	\$27.35	\$27.90
Utility Technicians	Utility	\$25.61	\$24.37	\$24.85
Buyer	Utility	\$28.61	\$27.35	\$27.90
Set Painters	Utility	\$28.61	\$27.35	\$27.90
Sculptors/Plasterers	Utility	\$28.61	\$27.35	\$27.90
<b>GREENS</b>				
Greens Persons/ Foreman	2nd	\$34.67	♦	♦
First Greens	Utility	\$31.63	\$30.29	\$30.90
On Set Greens	Utility	\$28.61	\$27.35	\$27.90
<b>HAIR AND MAKE-UP</b>				
Key Hair/ Key Make-Up	Key	\$34.67	♦	♦
Assistant Hair/ Assistant Make-Up	2nd	\$31.63	\$30.29	\$30.90
<b>PROPERTY (PROPS)</b>				
Prop Master	Key	\$34.67	♦	♦
Assistant Prop Master/ Prop Assistant	2nd	\$31.63	\$30.29	\$30.90
Buyer	Utility	\$28.61	\$27.35	\$27.90
Prop Weapons	Utility	\$31.63	\$30.29	\$30.90
On Set Picture Cars/Boats	Utility	\$28.61	\$27.35	\$27.90
Marine Coordinator	Utility	\$31.63	\$30.29	\$30.90
Boat Handlers	Utility	\$28.61	\$27.35	\$27.90
Prop Person	Utility	\$28.61	\$27.35	\$27.90
<b>SET DECORATING</b>				
Set Decorator	Key	\$34.67	♦	♦

Lead Person	2nd	\$31.63	\$30.29	\$30.90
Draper/Upholsterer	Utility	\$28.61	\$27.35	\$27.90
Buyer	Utility	\$28.61	\$27.35	\$27.90
Dressers. On Set. Off Set. Swing Gang	Utility	\$28.61	\$27.35	\$27.90
<b>WARDROBE</b>				
Wardrobe Supervisor	Key	♦	♦	♦
Costume Designer	Key	♦	♦	♦
Key Wardrobe/ Lead Set Wardrobe	Key	\$31.63	\$30.29	\$30.90
Assistant Key (non-MD)	2nd	\$28.61	\$27.35	\$27.90
Costumer/Buyer/ Stylist	Utility	\$28.61	\$27.35	\$27.90
Set Costumer	Utility	\$28.61	\$27.35	\$27.90
Seamstress/Tailor/ Stitcher/Sewer	Utility	\$28.61	\$27.35	\$27.90
<b>GRIPS</b>				
Key	Key	\$34.67	♦	♦
Best Boy Grip	2nd	\$31.63	\$30.29	\$30.90
Dolly Grip	Utility	\$31.63	\$30.29	\$30.90
Crane Operators	Utility	\$28.61	\$27.35	\$27.90
Grips	Utility	\$28.61	\$27.35	\$27.90
Pre-Riggers	Utility	\$28.61	\$27.35	\$27.90
<b>ELECTRIC</b>				
Gaffer	Key	\$34.67	♦	♦
Best Boy	2nd	\$31.63	\$30.29	\$30.90
Generator Operator	Key	\$31.63	\$30.29	\$30.90
Electrician	Utility	\$28.61	\$27.35	\$27.90
Laptop Operator (lighting)	Key	\$31.63	\$30.29	\$30.90
Pipe Rigging	Utility	\$28.61	\$27.35	\$27.90
<b>LOCATION</b>				
Location Manager	Key	n/a	n/a	n/a
Location Assistant	2nd	n/a	n/a	n/a
Location Scout	Utility	n/a	n/a	n/a
Location Production Assistant	Utility	n/a	n/a	n/a
<b>SPECIAL EFFECTS</b>				
Coordinator/Key	Key	\$34.67	♦	♦
Special effects Foreman	2nd	\$31.63	\$30.29	\$30.90
Additional Effects/ Mechanical Effects/ Powder Person	Utility	\$31.63	\$30.29	\$30.90
<b>SOUND</b>				
Mixer/Recordist	Key	\$34.67	♦	♦
Boom Person/Assistant	2nd	\$31.63	\$30.29	\$30.90



Cable Utility Person	Utility	\$31.63	\$30.29	\$30.90
<b>VIDEO ASSIST</b>				
VTR/Playback	2nd	\$34.67	♦	♦
Non-Record Video/ Video Assist	Utility	\$28.61	\$27.35	\$27.90
<b>POST PRODUCTION</b>				
Editor	Key	n/a	n/a	n/a
Assistant editor	2nd	n/a	n/a	n/a
Colorist	Utility	n/a	n/a	n/a
<b>VISUAL EFFECTS</b>				
Visual Effects Supervisor	Key	n/a	n/a	n/a
Compositor	Utility	n/a	n/a	n/a
Roto/Paint Artist	Utility	n/a	n/a	n/a
Matte Painter	Utility	n/a	n/a	n/a
<b>OTHER SERVICES</b>				
First Aid (EMT. Paramedic. RN)	2nd	\$31.63	\$30.29	\$30.90
Caterers	-	n/a	n/a	n/a
Publicist	-	n/a	n/a	n/a
Stills Photographer	-	n/a	n/a	n/a
Systems Administration	-	n/a	n/a	n/a

♦	= Per individual negotiation
n/a	= Information not available

## **Appendix E. Overview of New Mexico Film Production Tax Incentive**

New Mexico has been offering production companies incentives related to film and television production since 2002. The purpose of the film production tax incentive is to develop and sustain New Mexico's infrastructure, pool of trained professionals and businesses to support the state's film and television industry.

New Mexico's incentive program was first enacted in 2002. The initial program was offered as a refundable tax incentive equal to 15 percent of qualified production expenditures incurred in New Mexico. Amendments to the legislation were introduced in subsequent years.

- Between 2005 and 2007, the film production tax incentive was increased to 25 percent of qualified direct New Mexico production expenditures. During that same period, the tax incentive was also expanded to include expenditures relating to post-production and video game development. At the same time, the tax incentive related to performing artists' salaries was capped at \$5 million.
- In 2012, the total incentive amount was capped at \$50 million annually, and a delayed payment schedule was established for larger productions.
- In 2013, the incentive was increased by an additional five percent, raising the total incentive to 30 percent for either direct expenditures made by qualifying television series or payments to resident crew (wages and fringes only) for services during production in New Mexico if a production utilizes a qualifying soundstage for a minimum of ten or fifteen days of principal photography.

Some of the key features of New Mexico's film production tax incentive program are outlined in Table E-1.

**TABLE E-1: OVERVIEW OF NEW MEXICO FILM PRODUCTION TAX INCENTIVE PROGRAM**

Category	Description
<b>Type of Incentive</b>	Refundable tax credit (25% to 30%) <sup>56</sup>
<b>Incentive Overview</b>	<p>Refundable tax credits are received on all direct production expenditures (which include New Mexico crew) and expenditures for post production services that are subject to taxation by the State of New Mexico and rendered in New Mexico.<sup>57</sup> Some key features of the incentive program are:<sup>58</sup></p> <ul style="list-style-type: none"> <li>• No minimum budget requirement</li> <li>• No minimum spend requirement</li> <li>• No minimum shoot day requirement</li> <li>• No minimum resident hire requirement</li> <li>• No pre-qualifying</li> <li>• No application fees</li> <li>• No brokers needed</li> <li>• \$50 million allocated each July for pay-outs ("rolling cap")</li> <li>• A "Film Unit" at the NM Taxation &amp; Revenue Dept.</li> </ul>
<b>Rolling Cap</b> <sup>59</sup>	<p>New Mexico now has a "rolling cap" meaning that any accrued amounts greater than fifty million dollars (\$50M) in any one fiscal year will be "rolled over" into the next fiscal year which begins on July 1. There is no pre-qualifying or "getting in line" prior to production since credits will be awarded based upon when you file your credit claim (approved amount) and state tax or informational return. The NM Taxation &amp; Revenue Department will award tax credits after production on a first-come, first-served basis once an application is submitted. If the \$50 million cap has been met, the remaining amounts will be placed at the front of a queue and awarded in the next fiscal year (which begins July 1 of each year).</p>
<b>CAP Audit</b> <sup>60</sup>	<p>If the projected credit exceeds five million dollars (\$5,000,000), an outside audit from a New Mexico CPA firm is required. If the amount of the requested tax credit exceeds five million dollars (\$5,000,000), the application shall also include the results of an audit, conducted by a certified public accountant licensed to practice in New Mexico, verifying that the expenditures have been made in compliance with the requirements.</p>
<b>Application/Reporting/Qualification Requirements</b> <sup>61</sup>	<ul style="list-style-type: none"> <li>• The filing entity must be a "Film Production Company."</li> <li>• The project must be a "film" or "commercial audiovisual product."</li> <li>• The production must be intended for exhibition.</li> <li>• The production must be intended for reasonable commercial exploitation.</li> </ul> <p>Additional requirements include:<sup>62</sup></p> <ul style="list-style-type: none"> <li>• Projects that have scrolling end credits shall contain an acknowledgment that the production was filmed in "the State of New Mexico."</li> <li>• A long-form narrative film production (e.g. feature) or television series shall also include a state logo provided by the NM Film Office in the end credits.</li> <li>• The Production shall agree to pay all obligations the film production company has incurred in New Mexico.</li> <li>• The Production shall submit to the film office information required by the division to demonstrate conformity.</li> </ul>

<sup>56</sup> New Mexico Film Office. [http://www.nmfilm.com/summary\\_1.aspx](http://www.nmfilm.com/summary_1.aspx)

<sup>57</sup> Ibid.

<sup>58</sup> Ibid.

<sup>59</sup> New Mexico Film Office. [http://www.nmfilm.com/Receiving\\_the\\_Credit.aspx](http://www.nmfilm.com/Receiving_the_Credit.aspx)

<sup>60</sup> Ibid.

<sup>61</sup> New Mexico Film Office. [http://www.nmfilm.com/Qualifying\\_Expenditures.aspx](http://www.nmfilm.com/Qualifying_Expenditures.aspx)

<sup>62</sup> Ibid.

Category	Description
<b>Eligible Productions</b>	<p>The following types of production qualify as long as the “requirements of qualifications” listed above apply:<sup>63</sup></p> <ul style="list-style-type: none"> <li>• Feature films</li> <li>• Independent films</li> <li>• Television (MOW, pilots, series, reality)</li> <li>• Commercials*</li> <li>• Documentaries</li> <li>• Student films</li> <li>• Short films</li> <li>• Animation</li> <li>• Video games</li> <li>• Webisodes</li> <li>• Music videos</li> <li>• Infomercials</li> <li>• Content-based Mobile Apps</li> </ul> <p>* proof of media-buys for commercials is required</p>
<b>Maximum Benefit</b>	<p>25% of qualifying local spend with an additional 5% as follows:</p> <ul style="list-style-type: none"> <li>• The <b>additional 5%</b> (on top of the 25%) applies to all direct production expenditures made by a TV Series with an order of six (6) episodes and a New Mexico budget of \$50k per episode.</li> <li>• For other types of productions, <b>an additional 5%</b> (on top of the 25%) applies to only the payments for resident crew wages and fringes for their services rendered in New Mexico when a qualifying production facility (sizable sound stage) is used for a minimum number of principal photography days: 10 days when the total budget is less than \$30 million or 15 days when the total budget is \$30 million or more. Principal photography must occur on the premises of the facility.<sup>64</sup></li> </ul>
<b>Loan Outs<sup>65</sup></b>	<p>The Super Loan-Out" is a personal services business that is set up in order for the payment for the services of non-resident talent and on-camera stunt performers with management companies to qualify for the refundable tax credit. The total payments collectively that can qualify cannot exceed a five million dollar (\$5M) tax credit for all performing artists. This production company deducts or causes the loan-out to deduct withholding of personal income tax (PIT) at the highest rate (4.9%) and remits it to the state. The transaction also must be subject to Gross Receipts Tax (GRT). The actors or their loan-outs will be able to file a New Mexico income tax return with their deductions in order to reclaim all or portions of the PIT withholding. The prerequisites for non-resident performing artists with loan-outs to qualify are listed on the New Mexico Film Office website, <a href="http://www.nmfilm.com/Summary.aspx">http://www.nmfilm.com/Summary.aspx</a></p>
<b>Sunset/Review</b>	None

Since the inception of the New Mexico film production tax incentive in 2002, the New Mexico Taxation and Revenue Department has refunded a total of more than \$404 million<sup>66</sup> to production companies, as indicated in Table E-2.

<sup>63</sup> New Mexico Film Office. [http://www.nmfilm.com/Qualifying\\_Expenditures.aspx](http://www.nmfilm.com/Qualifying_Expenditures.aspx)

<sup>64</sup> Ibid.

<sup>65</sup> New Mexico Film Office. <http://www.nmfilm.com/Summary.aspx>

<sup>66</sup> Production refunds are based on \$1.6 billion in qualifying expenditures that were submitted to and approved by the New Mexico Taxation and Revenue Department.

**TABLE E-2: FILM PRODUCTION REFUNDS SINCE INCEPTION OF TAX INCENTIVE**

Fiscal Year	Total Refunded*
2003	\$1,116,187
2004	\$1,736,665
2005	\$2,104,583
2006	\$5,721,083
2007	\$18,523,663
2008	\$42,569,286
2009	\$82,062,134
2010	\$45,367,424
2011	\$96,192,255
2012**	\$9,494,476
2013	\$50,000,000
2014	\$50,000,000
<b>Total</b>	<b>\$404,887,756</b>

\* Includes productions receiving less than \$10,000 in refund.

\*\* 2012 fiscal year reflects a legislative change that extended the timeline to file for tax incentive (based on company's tax year). At the end of fiscal 2011 (prior to the legislative change) there was a rush among production companies to file for authorized tax incentive amount due to uncertain effects of the legislative amendment.

Source: New Mexico Taxation and Revenue Department

## Appendix F. Interview Guides and Data Request Form

### INTERVIEW GUIDE (PRODUCTION COMPANIES)

#### 1. INTRODUCTION

MNP LLP (MNP) has been engaged by the New Mexico State Film Office to conduct a study of state film production tax incentives.

We would like to ask you a few questions related to the role of film tax incentives on production location decisions and the impact of film production on local businesses.

#### 2. CONTACT INFORMATION

<b>Organization:</b>	
<b>Location of Business:</b>	
<b>Name:</b>	
<b>Position:</b>	
<b>Phone Number:</b>	
<b>Date:</b>	

#### 3. INTERVIEW QUESTIONS

##### Production Location Decisions:

1. What role do tax incentives play in production location decisions?
  - a. How are production location decisions made?
  - b. What factors affect production location decisions?
  - c. Do you have a ranking criteria that you use?
  - d. What role did the New Mexico film incentives play in your decision to film or not to film in New Mexico?
  - e. What other comments do you have regarding production location decisions?
2. How is New Mexico perceived among US states in terms of attractiveness or competitiveness?
  - a. What are some of the competitive advantages of filming in New Mexico?
  - b. Are there any disadvantages or challenges to filming in New Mexico?
  - c. How do you view the attractiveness/competitiveness of the New Mexico film and television tax incentive?
  - d. What other factors affect the attractiveness of New Mexico as a filming location?
  - e. Do you have any other comments or suggestions regarding the attractiveness or competitiveness of New Mexico as a production location?

3. What jurisdictions are currently viewed as the most attractive in terms of film and television production?
  - a. Are there any jurisdictions within the US that are becoming increasingly more attractive for location shooting? Why?
  - b. Are there any jurisdictions outside the US that are becoming increasingly more attractive for location shooting? Why?
4. Do you have any other comments or suggestions regarding the attractiveness of New Mexico relative to other locations?

**Impact on Local Businesses:**

5. Can you describe the impacts of your New Mexico productions in terms of:
  - a. Employment of local residents.
  - b. Procurement from local suppliers.
  - c. Film Tourism.
  - d. Other Impacts.
    - i. Have there been any impacts of your productions on local charitable organizations?
    - ii. Did your productions provide any educational opportunities for trainees or young people?
    - iii. Are you aware of any negative impacts on local businesses, organizations or communities that have occurred as a result of the film and television industry in New Mexico?
  - e. Are there any other impacts of filming and production that we should know about?

**Final Questions:**

6. Is there anyone else we should contact, or can you direct us to any other studies, or reports that may be helpful in our analysis?
7. Do you have any other comments regarding the New Mexico film and television tax incentive program?

**Thank you for the time and your insight. It is very much appreciated.**

## INTERVIEW GUIDE (BUSINESSES)

### 1. INTRODUCTION

MNP LLP (MNP) has been engaged by the New Mexico State Film Office to conduct a study of state film production tax incentives.

We would like to ask you a few questions related to the role of film tax incentives and the impact of film production on local businesses and industry.

### 2. CONTACT INFORMATION

<b>Organization:</b>	
<b>Location of Business:</b>	
<b>Name:</b>	
<b>Position:</b>	
<b>Phone Number:</b>	
<b>Date:</b>	

### 3. INTERVIEW QUESTIONS

1. To what degree has the New Mexico film and television industry affected your business?
  - a. Can you describe ways in which the film and television industry has affected your business?
  - b. Do you have any data that you would be willing to share that would help to quantify any effects (positive or negative)?
  - c. Do you have any examples or case studies that would illustrate any effects the industry has had on your business?
2. What proportion of your total business is formed by the film and television industry? Has this changed over time?
3. Have there been any negative impacts of the film and television industry on your business?
4. What impacts has the film and television industry had on your industry/sector?
5. Has your work with the New Mexico film and television industry enabled you to gain new business opportunities either within the state or in other locations?
6. Are there any other impacts of the film and television industry on your business, or your industry/sector more generally that you can tell us about?



**Final Questions:**

7. Are there any other businesses or individuals that you would suggest we contact that may be helpful to the study?
8. Do you have any other comments?

**Thank you for the time and your insight. It is very much appreciated.**

## DATA REQUEST FORM: PAYROLL COMPANIES

### 1. INTRODUCTION

MNP LLP (MNP) has been engaged by the New Mexico State Film Office to conduct a study of state film production tax incentives.

We would like to ask you for some information regarding the types of employment that occur in the New Mexico television and film industry.

### 2. CONTACT INFORMATION

<b>Organization:</b>	
<b>Name:</b>	
<b>Position:</b>	
<b>Phone Number:</b>	
<b>Date:</b>	

### 3. DATA REQUEST

1. Percentage breakdown of jobs created in the New Mexico film industry between 2010 and 2014 by job category and technical trade department.
2. Total share of jobs held by New Mexico residents between 2010 and 2014 and share of jobs held by New Mexico residents by job category and technical trade department.
3. Annual share of employment held by New Mexico residents from 2010 to 2014.
4. Minimum, mean and maximum average weekly hours worked by department.
5. Any other data or reports that you believe may be helpful in our analysis.

**Thank you for the time and your insight. It is very much appreciated.**