

SENATE THIRD READING
SB 756 (Smallwood-Cuevas)
As Amended September 02, 2025
Majority vote

SUMMARY

SB 756 requires the California Film Commission (CFC), subject to an appropriation, to integrate additional data collection requirements into the motion picture tax credit framework, address noncompliance with data collection requirements, and publish an annual compliance report summarizing the collected data, including trends in diversity and economic impact, and recommendations for program improvements.

Major Provisions

- 1) Requires CFC to integrate additional data collection requirements for productions receiving motion picture tax credits, including:
 - a. Demographic data currently not required for all hired employees, including disability status, veteran status, and LGBTQ+ status (where voluntarily provided).
 - b. Aggregate ZIP Code hiring data voluntarily reported by motion picture tax credit recipients for the purpose of assessing local workforce impacts.
 - c. Apprenticeship and trainee utilization reports demonstrating the inclusion of underrepresented groups in film production trades and related industries.
- 2) Requires CFC, in consultation with industry stakeholders, payroll companies, and subject matter experts, to ensure clarity, feasibility, and practical implementation, to adopt definitions, reporting templates, and narrowly tailored metrics for collecting the additional data required by this legislation.
- 3) Requires CDC to develop data collection protocols to reduce nonresponse rates.
- 4) Specifies that where feasible, workforce demographic and wage and hours data may be reported in aggregate using certified payroll data or verified third-party payroll reports and requires CFC to work with industry stakeholders and payroll companies to develop standardized templates to ensure data accuracy and to protect employee privacy. Requires CFC, in developing reporting templates and evaluation metrics, to consider proportional representation relative to the California general population and historic national-level underrepresentation in the film and entertainment industries.
- 5) Requires CFC to address noncompliance with data collection requirements through existing enforcement conditions and motion picture tax credit procedures.
- 6) Requires CFC to publish an annual compliance report on its website summarizing the collected data, trends in diversity and economic impact, and recommendations for improvements in the motion picture tax credit framework. The report shall be made publicly available on the commission's website.

COMMENTS

First available in July of 2009, the California Film and Television Tax Credit program helps promote production spending, jobs, and tax revenues in California. To be eligible for the credit, a project must have a minimum of 75% of its production days or total production budget occur in California, and must be a qualifying motion picture. To date, there have been four different iterations of the program, with the current Program 4.0 enacted by SB 132 (Committee on Budget and Fiscal Review), Chapter 17, Statutes of 2025. SB 132 and AB 1138 (Zbur), Chapter 27, Statutes of 2025, reauthorized the Motion Picture Tax Credit program for \$750 million in tax credits to be allocated by the CFC on or after July 1, 2025 and before July 1, 2030, and authorize the state's first refundable credit for business taxpayers.

Other states and countries, such as New York, Georgia, Canada, and the United Kingdom, also offer attractive incentives to the film industry. According to a 2023 report by the CFC detailing results for the last three and a half years of the program through 2023, 39 projects out of 66 that applied for but did not receive tax credits opted for out-of-state production, representing \$1.5 billion in production spending loss. This amount does not account for additional losses in jobs and economic activity associated with these projects. Conversely, for the 134 projects approved during the same three and a half year period, the CFC estimates the credit helped generate \$7.3 billion in direct in-state spending.

A 2025 report by the Legislative Analyst's Office (LAO) noted that while there is clear evidence increasing the size of the credit will lead to an increase in the number of productions choosing to film in California, there is not sufficient evidence that expanding the tax credit will benefit the economy relative to other economically beneficial programs. One concern cited is a lack of a standardized method of assessing equity outcomes or impacts on workforce development. In response to these concerns, and in support of the bill, the California Arts Advocates state the following:

SB 756 addresses these gaps by requiring production companies receiving film tax credits to submit annual reports detailing:

- 1) The demographics of their workforce (race, ethnicity, gender, disability status, veteran status)
- 2) ZIP Code-based hiring to assess local economic impact
- 3) Participation of apprentices and trainees
- 4) A final project report and a biennial independent economic impact analysis

Notably, this bill ensures the information will be made public and used to shape policy improvements through an annual report from CFC. This builds upon best practices already in place at other public agencies, such as Los Angeles World Airports (LAWA), which require robust labor tracking.

According to the Author

"SB 756 is about equity and accountability. It ensures that the state's significant investment in the entertainment industry delivers measurable returns for local workers, small businesses, and historically excluded communities. This bill establishes a tracking and compliance program

within the CFC to require productions receiving tax credits to report annually on who they hire, where they hire, and how they are building inclusive pathways—such as through apprenticeships and job training—for underrepresented groups. It also mandates a regular independent economic impact analysis, so we can better understand whether this public investment is creating lasting, equitable economic growth."

Arguments in Support

According to the California Arts Advocates in support, "California's Film and Television Tax Credit Program has played a key role in retaining in-state film production. Still, it lacks mechanisms to assess whether public dollars benefit diverse communities, advance union access, or contribute to local economies. As noted by the LAO, although the credit increases production activity, there is little evidence that it improves the broader economy, and there is currently no standardized way to assess equity outcomes or workforce development impacts.

"We support SB 756 because it brings transparency to a high-dollar tax incentive program, ensures public investments support inclusive job creation, and provides data to evaluate whether the film credit meets its intended goals. This oversight is especially critical given the Governor's recent proposal to expand the credit program significantly despite budget deficits and weak evidence of broader economic benefit."

Arguments in Opposition

None on file.

FISCAL COMMENTS

According to the Assembly Committee on Appropriations, there will be ongoing General Fund cost pressures of an unknown amount, but likely at least \$1 million, for the Legislature to appropriate funding to support GO-Biz implementation of the data collection, compliance oversight, and reporting requirements of the bill placed on the CFC.

VOTES

SENATE FLOOR: 38-0-2

YES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

ABS, ABST OR NV: Grove, Reyes

ASM ARTS, ENTERTAINMENT, SPORTS, AND TOURISM: 8-0-1

YES: Ward, Lackey, Elhawary, Jeff Gonzalez, McKinnor, Ortega, Quirk-Silva, Valencia

ABS, ABST OR NV: Zbur

ASM APPROPRIATIONS: 11-0-4

YES: Wicks, Arambula, Calderon, Caloza, Elhawary, Fong, Mark González, Ahrens, Pacheco, Pellerin, Solache

ABS, ABST OR NV: Sanchez, Dixon, Ta, Tangipa

UPDATED

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