



**EntertainmentPartners®**  
an employee owned company

## Basic Overview of U.S. and International Production Incentives \*



\* These materials have been prepared by Entertainment Partners for informational purposes only and should not be construed as tax advice or relied on for specific projects. **The materials were updated as of February 27, 2009.** Though every effort has been made to remain current, laws and incentives change and therefore this information may have been revised. Please contact your legal or tax advisors to confirm any laws or effect of incentives on your project. **For updates and more information, please visit our website at [www.productionincentives.com](http://www.productionincentives.com).**

Joe Chianese  
*VP Business Development*  
[jchianese@entertainmentpartners.com](mailto:jchianese@entertainmentpartners.com)

Kathleen Kane  
*Sr. Account Executive*  
[kkane@entertainmentpartners.com](mailto:kkane@entertainmentpartners.com)

Marco Cordova  
*Director, Business Development*  
[mcordova@entertainmentpartners.com](mailto:mcordova@entertainmentpartners.com)

[www.entertainmentpartners.com](http://www.entertainmentpartners.com)  
[www.productionincentives.com](http://www.productionincentives.com)

## U.S. DOMESTIC

### U.S. FEDERAL

**Type of Incentive:** Immediate deduction

**Benefit** (if eligibility requirements are met): 100% of the production cost (for first \$15,000,000 of qualified expenses)

**Compensation and Project Caps/Funding Per Year:** Deduction applies to the first \$15,000,000 of production costs (\$20,000,000 if incurred in designated low-income areas)

**Project Criteria:** ≥ 75% of total "compensation" (does not include participations and residuals) must be for services performed in the U.S.

**Sunset/Review:** December 31, 2009

### ALABAMA \*

\* Legislation ([HB 69](#)) has been proposed to provide a 25% production expenditure and 35% resident payroll rebate, as well as an exemption for production companies from sales and use taxes and lodging taxes.

### ALASKA\*

**Type of Incentive:** Transferable tax credit (with 3-year carry forward)

**Benefit** (if eligibility requirements are met): 30% of qualifying production local spend, plus 10% for wages paid to Alaska residents, plus 2% for expenditures in a rural area, plus 2% for expenditures between October 1 and March 30

**Compensation and Project Caps/Funding Per Year:** Aggregate tax credits ≤ \$100,000,000

**Project Criteria:** Minimum local spend = \$100,000 in consecutive 24-month period

**Sunset/Review:** The earlier of exhaustion of the cap or July 1, 2013; reports to the legislature are required within 30 days after the start of each regular session

**Hotel Occupancy Tax Relief Available:** No

**Sales Tax Relief for Productions Available:** N/A (State does not impose sales & use tax)

\* The Department of Commerce, Community, and Economic Development has [proposed new regulations](#) for the Alaska Film Production Incentive Program.

### ARIZONA\*

**Type of Incentive:** Transferable production and infrastructure income tax credits (with 5-year carry forward)

**Benefit** (if eligibility requirements are met): 20% of qualifying production local spend between \$250,000 and \$1,000,000; 30% of qualifying production local spend > \$1,000,000; 15% of base investment in eligible infrastructure projects

**Compensation and Project Caps/Funding Per Year:** \$7,000,000 per project in 2008, \$8,000,000 per project in 2009, and \$9,000,000 per project in 2010; \$50,000,000 total funding for 2008, \$60,000,000 total funding for 2009, and \$70,000,000 total funding for 2010, 5% of the total is reserved for use with respect to commercial advertisement and music video production

**Project Criteria:** Minimum local spend = \$250,000 in 24 months; 50% of full-time employees = residents in 2008 to 2010

**Sunset/Review:** December 31, 2010

**Hotel Occupancy Tax Relief Available:** No

**Sales Tax Relief for Productions Available:** Yes

\* [HB 2611](#) has been introduced.

### ARKANSAS

\* Arkansas does not currently have film production incentives.

**CALIFORNIA \***

**Type of Incentive:** Non-refundable, non-transferable (except for "independent films" or transfers to affiliates) income tax credit (with 5-year carry forward), or sales and use tax credit (with 5-year carry forward); income tax credits cannot be applied until 2011

**Benefit** (if eligibility requirements are met): 20% of qualifying local spend in the case of qualifying features, MOWs, miniseries, and new television series for basic cable; 25% of qualifying local spend for qualifying "relocating" television series and "independent films"

**Compensation and Project Caps/Funding Per Year:** No compensation caps; feature film budget cap of \$75,000,000; "independent film" budget cap of \$10,000,000; \$100,000,000 funding per fiscal year from 2009/2010 to 2013/2014; ≤ \$10,000,000 a year set aside for "independent films"; annual allotment on first-come, first-served basis, and may use one subsequent year's funding

**Project Criteria:** ≥ 75% of the production days or total production budget within the state; minimum budget of \$1,000,000 for a feature film, an independent film, and a new television series; minimum budget of \$500,000 for MOWs and miniseries; "independent films" qualify if produced by a company that is not publicly traded or owned > 25% by publicly traded companies

**Sunset/Review:** June 30, 2014

**Sales Tax Relief for Productions Available:** Yes

**Hotel Occupancy Tax Relief Available:** Yes

*\* Principal photography of the qualified motion picture commences after the date on which the application is approved by the California Film Commission, but no later than 180 days after the date of that approval. Applications will be accepted on or after July 1, 2009.*

**San Francisco, CA**

**Type of Incentive:** Film rebate program

**Benefit** (if eligibility requirements are met): 100% of "qualified production cost" (fees, taxes or moneys paid to the city, its departments or Film Commission)

**Compensation and Project Caps/Funding Per Year:** Total amount of taxes paid to the city by production

**Project Criteria:** A "qualified low-budget film production" (budget ≤ \$3,000,000) must spend ≥ 55% of total principal photography days exclusively in the city; a "qualified film production" must spend ≥ 65% of total principal photography days exclusively in the city

**Sunset/Review:** June 30, 2009

**Hotel Occupancy Tax Relief Available:** Yes

**Sales Tax Relief for Productions Available:** Yes

**COLORADO \***

**Type of Incentive:** Cash rebate

**Benefit** (if eligibility requirements are met): 10% of qualifying local spend

**Compensation and Project Caps/Funding Per Year:** 2007-2008 fiscal year funding set at \$600,000 by the General Assembly

**Project Criteria:** Minimum local spend = \$100,000 for qualified local companies, \$1,000,000 for out of state companies; ≥ 75% of below-the-line budget = qualified local spend; ≥ 75% payroll = qualified local payroll

**Sunset/Review:** July 1, 2017

**Hotel Occupancy Tax Relief Available:** Yes

**Sales Tax Relief for Productions Available:** No

*\* Film Incentive Legislation [HB 1010](#) (PDF) has been proposed to add a 20% transferable credit for qualified Colorado production expenditures, for income tax years commencing on or after January 1, 2009, for expenses incurred on or after July 1, 2009.*

## CONNECTICUT \*

**Type of Incentive:** Transferable production expense credit; transferable infrastructure project credit; transferable digital animation production company credit (3 transfers allowed with 3-year carry forward from year incurred)

**Benefit:** (if eligibility requirements are met): 30% of production expenses with phase out of those incurred outside the state and used within (January 1, 2009 = 50% exclusion, January 1, 2012 = 100% exclusion); 10% - 20% of qualifying infrastructure investments; 30% of qualifying digital animation production costs, including optioning or purchase of Intellectual Property rights if such expenses are < 35% of the costs incurred by the eligible production company (maintaining facilities within the state, employing ≥ 200 full-time employees within the state)

**Compensation and Project Caps/Funding Per Year:** Compensation is capped at \$15,000,000 per person; no project caps for the production expense and infrastructure credits; the digital animation production credit is capped at \$15,000,000 per year

**Project Criteria:** Minimum spend for the production expense credit is > \$50,000 per year (an interactive website must spend > \$500,000 per year; for state-certified infrastructure projects costing > \$15,000 and < \$150,000, the credit is 10% of the investment; if the cost is ≥ \$150,000 but < \$1,000,000, the credit is 15% of the investment; and for projects costing ≥ \$1,000,000, the credit is 20%)

**Sunset/Review:** None; review annually for "Workforce Competitiveness" status report

**Hotel Occupancy Tax Relief Available:** Yes

**Sales Tax Relief for Productions Available:** Yes

*\* A [number of bills](#) have been proposed to modify the film production tax credit. The proposals range from capping the credits on an annual basis to imposing a local studio filming requirement. We will continue to monitor these bills and keep you apprised of developments as they occur.*

## DELAWARE

*\* Delaware does not currently have film production incentives.*

## DISTRICT OF COLUMBIA

**Type of Incentive:** Grant

**Benefit** (if eligibility requirements are met): The lesser of 10% of qualified spend, or 100% of the sales and use taxes paid to the District on qualified expenses

**Compensation and Project Caps/Funding Per Year:** \$1,600,000 per year

**Project Criteria:** Minimum local spend = \$500,000, and must film for 5 or more days in the District

**Sunset/Review:** Annual review on or before December 31 of each year, for the fiscal year concluding September 30

**Hotel Occupancy Tax Relief Available:** No

**Sales Tax Relief for Productions Available:** No (However, grant program may apply)

## FLORIDA \*

**Type of Incentive:** Cash rebate

**Benefit** (if eligibility requirements are met): 15% of qualifying local spend (10% for digital media projects); 5% bonus if 75% of production days in Florida between June 1st and November 30th (digital media and independent filmmaker projects are not eligible for the 5% bonus); additional 2% family-friendly bonus with strict definitions

**Compensation and Project Caps/Funding Per Year:** Cap on residents' compensation of \$400,000 for the general production and independent Florida filmmaker queues, and \$200,000 for the digital media queue; \$4,799,929 (for the fiscal year beginning July 1, 2008) annual fund with 85% appropriated for general projects and 5% appropriated to independent Florida filmmaker projects and 10% appropriated to digital media projects; first-come, first-served on a fiscal year basis; productions can cross fiscal years

**Project Criteria:** ≥ 50% of cast and below-the-line crew must be residents or eligible students; minimum local spend = \$625,000 for general production projects; minimum local spend = \$100,000 and maximum spend = \$625,000 and must employ Florida worker in six key positions for independent Florida filmmaker projects; minimum local spend = \$300,000 for digital media projects

**Sunset/Review:** October 1st Annual Report; unexpended balance of appropriated funds reverts after June 30, 2009

**Hotel Occupancy Tax Relief Available:** No

**Sales Tax Relief for Productions Available:** Yes

\* [HB 47/SB 350](#) and [HB 43/SB 312](#) have been proposed, effective July 1, 2009, if passed.

## GEORGIA

**Type of Incentive:** Transferable tax credit (one transfer to one or more transferees with 5-year carry forward)

**Benefit** (if eligibility requirements are met): 20% of the "base investment" in the state, plus 10% if the qualified production activities include a "qualified Georgia promotion"

**Compensation and Project Caps/Funding Per Year:** There is a \$500,000 per person per project cap on W-2 salaries, but no cap on compensation paid to loan-outs or subject to 1099 reporting; no project or funding caps

**Project Criteria:** Minimum local spend = \$500,000

**Sunset/Review:** None

**Hotel Occupancy Tax Relief Available:** No

**Sales Tax Relief for Productions Available:** Yes

## HAWAII

**Type of Incentive:** Refundable income tax credit

**Benefit** (if eligibility requirements are met): 15% of qualifying spend in Hawaiian counties with a population ≥ 700,000 (currently only Honolulu county) and 20% of qualifying spend in Hawaiian counties with a population < 700,000

**Compensation and Project Caps/Funding Per Year:** \$8,000,000 per project; no annual cap

**Project Criteria:** Minimum local spend = \$200,000

**Sunset/Review:** December 31, 2015

**Hotel Occupancy Tax Relief Available:** No

**Sales Tax Relief for Productions Available:** No

## IDAHO

**Type of Incentive:** Rebate

**Benefit** (if eligibility requirements are met): 20% of the qualified production's expenses

**Compensation and Project Caps/Funding Per Year:** \$500,000 per project; NOT YET FUNDED.

**Project Criteria:** Minimum local spend = \$200,000; from July 1, 2008 through June 30, 2010, 20% of the crew working on the production must be Idaho residents; the requirement increases to 25% on July 1, 2010; 30% on July 1, 2011; and 35% on July 1, 2012

**Sunset/Review:** June 30, 2014

**Hotel Occupancy Tax Relief Available:** Yes

**Sales Tax Relief for Productions Available:** Yes

Please visit [www.productionincentives.com](http://www.productionincentives.com)  
for more comprehensive and updated information.

## ILLINOIS

**Type of Incentive:** Transferable tax credit (5-year carry forward from when the tax credit was originally issued)

**Benefit** (if eligibility requirements are met): Effective January 1, 2009, 30% of qualifying local spend, plus 15% of the Illinois labor expenditures generated by the employment of residents of geographic areas of high poverty or high unemployment, as determined by the Department of Commerce and Economic Opportunity

**Compensation and Project Caps/Funding Per Year:** Compensation not to exceed \$100,000 per resident employee; no project or funding caps

**Project Criteria:** Minimum local spend > \$50,000 for productions < 30 minutes; > \$100,000 for productions ≥ 30 minutes

**Sunset/Review:** None

**Hotel Occupancy Tax Relief Available:** Yes

**Sales Tax Relief for Productions Available:** No

## INDIANA

**Type of Incentive:** Refundable tax credit

**Benefit** (if eligibility requirements are met): Up to 15% of qualified production expenditures for productions based upon agreement executed with Film Indiana and the Indiana Economic Development Corporation

**Compensation and Project Caps/Funding Per Year:** No per project cap; \$5,000,000 annual funding per year

**Project Criteria:** Theatrical and television projects must incur or make qualified production expenditures ≥ \$100,000; digital media productions, audio recording or music video, radio or television advertising, and training, external marketing or communications media productions must incur or make qualified production expenditures ≥ \$50,000

**Sunset/Review:** December 31, 2011

**Hotel Occupancy Tax Relief Available:** Yes

**Sales Tax Relief for Productions Available:** Yes, but a person is not entitled to a state gross retail tax exemption with respect to a transaction involving tangible personal property that is a qualified production expenditure for which a Media Production Expenditure Tax Credit is claimed.

## IOWA

**Type of Incentive:** Transferable investment and expenditure tax credit (5-year carry forward); ruling obtained: both credits may be claimed on the same expenditures by taxpayers with different FEIN, resulting in a potential credit of 50%

**Benefit:** (if eligibility requirements are met): 25% of qualified spend on eligible projects; and 25% of investment in registered projects

**Compensation and Project Caps/Funding Per Year:** The qualifying investors' 25% credit of the eligible spend is capped at each investor's pro rata share of that amount up to 25% of qualified expenditures on the project

**Project Criteria:** Film, television, and video projects that are registered, with a minimum qualifying local spend ≥ \$100,000 to residents or Iowa-based business; labor and personnel = below-the-line

**Sunset/Review:** None

**Hotel Occupancy Tax Relief Available:** Yes

**Sales Tax Relief for Productions Available:** No

## KANSAS

**Type of Incentive:** Non-refundable, non-transferable tax credit (3-year carry forward)

**Benefit** (if eligibility requirements are met): 30% of qualifying local spend

**Compensation and Project Caps/Funding Per Year:** \$2,000,000 per year

**Project Criteria:** Minimum spend if ≤ 30 minutes > \$50,000; > \$100,000 if > 30 minutes

**Sunset/Review:** December 31, 2012

**Hotel Occupancy Tax Relief Available:** Yes

**Sales Tax Relief for Productions Available:** No

## KENTUCKY\*

**Hotel Occupancy Tax Relief Available:** Yes

**Sales Tax Relief for Productions Available:** Yes

\* A bill ([HB 40](#)) has been introduced to create a nonrefundable tax credit for qualifying films and infrastructure projects.

## LOUISIANA

**Type of Incentive:** Partially refundable, fully transferable motion picture production tax credits; as an option, the credits can be transferred to the state of Louisiana for 74¢ in 2009

**Benefit** (if eligibility requirements are met): 25% of qualifying local spend, and 10% of resident payroll if ≤ \$1,000,000; 40% of investment > \$300,000 in state-certified infrastructure projects

**Compensation and Project Caps/Funding Per Year:** Infrastructure credit is capped at \$25,000,000 per project, with special rules for earning and structuring the credit; no caps for the motion picture production tax credits

**Project Criteria:** Minimum local spend > \$300,000

**Sunset/Review:** The investor tax credits are not time-limited; the infrastructure investment tax credit expires January 1, 2009, however, projects may meet minimum thresholds in order to continue earning credits for the entire approved estimated budget; the investor tax credit rate decreases to 20% for projects approved after June 2010, and to 15% for those approved after June 2012

**Hotel Occupancy Tax Relief Available:** No

**Sales Tax Relief for Productions Available:** No

### Jefferson Parish, LA

**Type of Incentive:** Cash rebate

**Benefit** (if eligibility requirements are met): 3% of qualifying lodging, payroll expenses for residents, and other local spend

**Compensation and Project Caps/Funding Per Year:** \$100,000 per project cap for new productions by a production company that has not previously received Jefferson Parish incentives; \$115,000 per project cap for subsequent productions (must bring project within 12 months of prior project); \$10,000 increase to per project cap for productions having a production office and leasing a soundstage in Jefferson Parish; annual program funding varies

**Project Criteria:** Minimum local spend = \$150,000; must either (1) have local production office or (2) utilize soundstage or alternative filming facility located in Jefferson Parish

**Sunset/Review:** None

**Hotel Occupancy Tax Relief Available:** No

**Sales Tax Relief for Productions Available:** No

**MAINE**

**Type of Incentive:** Wage rebate (and non-refundable tax credit for investment in certified media productions)

**Benefit** (if eligibility requirements are met): 10% on non-residents; 12% on residents

**Compensation and Project Caps/Funding Per Year:** Wages are capped at \$1,000,000 per person; no project or funding caps

**Project Criteria:** Minimum local spend = \$250,000 in 12 consecutive months

**Sunset/Review:** None

**Hotel Occupancy Tax Relief Available:** Yes

**Sales Tax Relief for Productions Available:** Yes

**MARYLAND**

**Type of Incentive:** Cash rebate

**Benefit** (if eligibility requirements are met): 25% of qualifying local spend

**Compensation and Project Caps/Funding Per Year:** No per project cap; \$4 million program budget for 2008-2009 fiscal year beginning July 1st

**Project Criteria:** Minimum local spend = \$500,000; > 50% of production must be local

**Sunset/Review:** None

**Hotel Occupancy Tax Relief Available:** No

**Sales Tax Relief for Productions Available:** Yes

**MASSACHUSETTS**

**Type of Incentive:** Partially refundable, transferable tax credit; 5-year carry forward from year incurred (NOTE: Taxpayer may elect to receive a 90% refund of the credit to the extent credits are first applied to taxes)

**Benefit** (if eligibility requirements are met): 25% of payroll in the state (excluding persons paid  $\geq$  \$1,000,000); no 50% test (see below) for payroll credit; 25% of local spend (including salaries  $\geq$  \$1,000,000) if either: (i) > 50% of total production expenses are incurred within the state, or (ii)  $\geq$  50% of principal photography days are within the state

**Compensation and Project Caps/Funding Per Year:** No caps

**Project Criteria:** Minimum local spend = \$50,000

**Sunset/Review:** December 31, 2022

**Hotel Occupancy Tax Relief Available:** No

**Sales Tax Relief for Productions Available:** Yes

**MICHIGAN \***

**Type of Incentive:** Refundable and transferable business tax credit (or non-refundable, non-transferable income tax credit); non-refundable, transferable infrastructure investment tax credit (and non-refundable, non-transferable qualified job training expenditure credit for resident below-the-line crew with a 10-year carry forward)

**Benefit** (if eligibility requirements are met): 42% of qualifying direct production expenditures in "core communities" or 40% of direct production expenditures in other locations; and 30% of qualified personnel expenditures (or 50% qualified job training expenditure credit for resident below-the-line crew); 25% infrastructure investment tax credit \*\*

**Compensation and Project Caps/Funding Per Year:** \$2,000,000 cap per person for compensation for personal services for direct production and qualifying personnel expenditures; \$20,000,000 annual cap for infrastructure investments

**Project Criteria:** Minimum local spend = \$50,000 for direct production and qualifying personnel credit; \$100,000 for the infrastructure investment credit prior to January 1, 2009, and \$250,000 after December 31, 2008

**Sunset/Review:** Annual report required for the direct production and qualifying personnel credits; September 30, 2015 for the infrastructure investment credit

**Hotel Occupancy Tax Relief Available:** Yes

**Sales Tax Relief for Productions Available:** No

*\* The current versions of proposed legislation ([SB 1535](#) and [HB 6563](#)) cap the credits issued under MCL 208.1455 at \$50,000,000 and at \$112,000,000 respectively per calendar year.*

*\*\* 0.5% of each credit is deducted as an application and redemption fee payable to the "Michigan Film Promotion Fund," reducing the benefit to 41.5%, 39.5% and 29.5% respectively for production and personnel, 49.5% for qualified job training, and 24.5% for infrastructure investment.*

**MINNESOTA**

**Type of Incentive:** Cash rebate

**Benefit** (if eligibility requirements are met): 15% to 20% of qualifying local spend

**Compensation and Project Caps/Funding Per Year:** \$1,299,000 appropriation to film jobs production program during fiscal year 2009

**Project Criteria:** Minimum local spend = \$5,000,000 within a 12-month period for the 20% credit; local principal photography ≥ 60% for feature films; minimum local spend ≥ 60% of total budget for TV series, internet programs, documentaries, music videos, and TV commercials; total production budget ≥ \$200,000 for internet programs, documentaries, and TV commercials (no budget requirements if the commercial project has a national distribution) and ≥ \$50,000 for music videos

**Sunset/Review:** The earlier of June 30, 2009, or exhaustion of the appropriation

**Hotel Occupancy Tax Relief Available:** Yes

**Sales Tax Relief for Productions Available:** Yes

**MISSISSIPPI**

**Type of Incentive:** Cash rebate

**Benefit** (if eligibility requirements are met): 20% of the qualifying local spend; 20% of payroll paid to non-residents and 25% of payroll paid to residents

**Compensation and Project Caps/Funding Per Year:** Up to \$1,000,000 on individual resident and non-resident payroll qualifies for the rebate; \$8,000,000 rebate cap per project; \$20,000,000 fiscal year cap

**Project Criteria:** Minimum local spend = \$20,000 in base investment and/or payroll

**Sunset/Review:** No sunset date for the main rebate; the non-resident payroll rebate expires on June 30, 2012

**Hotel Occupancy Tax Relief Available:** No

**Sales Tax Relief for Productions Available:** Yes

**MISSOURI**

**Type of Incentive:** Transferable tax credit; 5-year carry forward from year incurred

**Benefit** (if eligibility requirements are met): 35% of qualifying local spend, excluding compensation > \$1,000,000 paid to any person (less a 2.5% issuance fee)

**Compensation and Project Caps/Funding Per Year:** \$4,500,000 annual funding

**Project Criteria:** Minimum local spend = \$50,000 if < 30 minutes and \$100,000 if > 30 minutes in length

**Sunset/Review:** November 28, 2013 (unless reauthorized)

**Hotel Occupancy Tax Relief Available:** No

**Sales Tax Relief for Productions Available:** No

**MONTANA**

**Type of Incentive:** Refundable tax credit

**Benefit** (if eligibility requirements are met): 14% of residents' wages; 9% of qualifying local spend; new requirement that eligible expenditures must be paid in full before credit is claimed

**Compensation and Project Caps/Funding Per Year:** Cap of \$50,000 on resident wages; no project or annual caps

**Project Criteria:** No minimum spend; certification

**Sunset/Review:** December 31, 2009

**Hotel Occupancy Tax Relief Available:** Yes

**Sales Tax Relief for Productions Available:** N/A (State does not impose sales & use tax)

**NEBRASKA \***

**Hotel Occupancy Tax Relief Available:** Yes

**Sales Tax Relief for Productions Available:** No

\* [LB 282](#) will be under an interim study the rest of the year, re-introduced in next session during Fall.

**NEVADA**

**Hotel Occupancy Tax Relief Available:** Yes

**Sales Tax Relief for Productions Available:** No

**NEW HAMPSHIRE**

**Hotel Occupancy Tax Relief Available:** No

**Sales Tax Relief for Productions Available:** N/A (State does not impose sales & use tax except for rooms and meals)

**NEW JERSEY**

**Type of Incentive:** Transferable tax credit

**Benefit** (if eligibility requirements are met): 20% of qualifying local spend and qualified digital media production spend

**Compensation and Project Caps/Funding Per Year:** Cannot reduce tax liability by > 50%; \$10,000,000 per year

**Project Criteria:** ≥ 60% of total spend (excluding post-production) must be local; local digital media content production expenses must be ≥ 2,000,000

**Sunset/Review:** June 30, 2015

**Hotel Occupancy Tax Relief Available:** Yes

**Sales Tax Relief for Productions Available:** Yes

**NEW MEXICO \*****Type of Incentive:** Refundable tax credit**Benefit** (if eligibility requirements are met): 25% of qualifying local spend**Compensation and Project Caps/Funding Per Year:** There is a \$5,000,000 cap per project on the *credit* for all "performing artists" compensation (i.e., amounts paid to performing artists in excess of \$20,000,000 will not be eligible for the credit); there are no other project or funding caps**Project Criteria:** None**Sunset/Review:** None**Hotel Occupancy Tax Relief Available:** No**Sales Tax Relief for Productions Available:** Yes*\* Productions may benefit from either the gross receipts tax deduction/sales tax exemption or the 25% refundable tax credit, but not from both.***NEW YORK****Type of Incentive:** Refundable film production tax credit; there is also an investment tax credit for qualified film production facilities**Benefit** (if eligibility requirements are met): 30% of qualifying production local spend; 4% to 5% of the eligible investment credit base**Compensation and Project Caps/Funding Per Year:** \$65,000,000 in 2008, \$75,000,000 in 2009, \$85,000,000 in 2010, \$90,000,000 in 2011 and 2012, \$110,000,000 in 2013; annual allotment on first-come, first-served basis (if exhausted, carries over to next year's allotment)**Project Criteria:** Qualified production costs at a qualified film production facility must be  $\geq$  75% of such costs within and outside NY (requires at least 1 day at a qualified facility on a set); if production costs at a qualified facility are  $<$  \$3,000,000, then shooting days in NY outside qualified production facility must be  $\geq$  75% of shooting days within and outside NY. The investment tax credit is available for tangible property containing at least one sound stage  $\geq$  7,000 SF, which is principally used as a qualified film production facility and the taxpayer provides  $\geq$  3 qualified services, including but not limited to studio lighting grid, lighting and grip equipment, multi-line phone service, broadband information technology access, industrial scale electrical capacity, food services, security services, and heating, ventilation and A/C**Sunset/Review:** December 31, 2013**Hotel Occupancy Tax Relief Available:** No**Sales Tax Relief for Productions Available:** Yes**New York, NY****Type of Incentive:** Refundable tax credit (to the extent not used to offset taxes, the refund will be paid in 2 equal payments in the current and following tax years)**Benefit** (if eligibility requirements are met): 5% of qualifying local spend, and outdoor media valued at 1%**Compensation and Project Caps/Funding Per Year:** \$30,000,000 annual cap on first-come, first-served basis (if exhausted, carries over to next year's allotment)**Project Criteria:** Qualified production costs at a qualified film production facility must be  $\geq$  75% of such costs within and outside NYC; if qualified production costs are  $<$  \$3,000,000, then shooting days in NYC outside qualified production facility must be  $\geq$  75% of shooting days within and outside NYC**Sunset/Review:** December 31, 2011**Hotel Occupancy Tax Relief Available:** No**Sales Tax Relief for Productions Available:** Yes

Please visit [www.productionincentives.com](http://www.productionincentives.com)  
for more comprehensive and updated information.

**NORTH CAROLINA \*****Type of Incentive:** Refundable tax credit**Benefit** (if eligibility requirements are met): 15% of qualifying local spend (NC income tax credits are subject to NC tax; therefore, net film credit is 13.97% after tax)**Compensation and Project Caps/Funding Per Year:** Cap of \$1,000,000 on compensation; \$7,500,000 per feature film; no other caps**Project Criteria:** Minimum local spend = \$250,000**Sunset/Review:** December 31, 2013**Hotel Occupancy Tax Relief Available:** Yes**Sales Tax Relief for Productions Available:** Yes*\* [HB 2511](#) was introduced to increase the production film credit from 15% to 20%. The increased film credit applies to taxable years beginning on or after January 1, 2008.***NORTH DAKOTA****Hotel Occupancy Tax Relief Available:** Yes**Sales Tax Relief for Productions Available:** No**OHIO \*****Hotel Occupancy Tax Relief Available:** Yes**Sales Tax Relief for Productions Available:** No*\* [HB 6](#) was introduced to establish a 25% refundable, nontransferable credit against corporation franchise or income tax for motion picture productions that spend at least \$300,000 in Ohio. The Bill limits total credits allowed to \$20 million per fiscal biennium and \$5 million per production.***OKLAHOMA \*****Type of Incentive:** Cash rebate**Benefit** (if eligibility requirements are met): 5% to 15% of qualifying local spend.**Compensation and Project Caps/Funding Per Year:** \$5,000,000 per year**Project Criteria:** Minimum budget for film must be  $\geq$  \$500,000 and  $\geq$  \$300,000 = local spend; can aggregate projects in 1 year with budgets  $\geq$  \$250,000 to meet requirements if local spend is  $\geq$  \$300,000; if budget  $\geq$  is \$5,000,000 or  $\geq$  50% of crew is resident = 15%; 10% if 25% to 49% of crew are resident; 5% if  $<$  25% of crew is resident; crew requirements can be waived if residents unavailable or if budget is \$5 million or above.**Sunset/Review:** None**Hotel Occupancy Tax Relief Available:** No**Sales Tax Relief for Productions Available:** Yes*\* Effective July 1, 2009, "digital media" facilities are added, the minimum spend is reduced, and the credit is increased by 2% if \$20,000 is used for Oklahoma music/recording.***OREGON****Type of Incentive:** Cash rebates consisting of the Oregon Production Investment Fund (OPIF) and the Greenlight Oregon Labor Rebate (GOLR)**Benefit** (if eligibility requirements are met): Up to 16.2% of wages paid (residents and non-residents and exclude entire compensation if Oregon compensation  $>$  \$1,000,000 for each individual); 20% of qualifying local goods/services (other than wages)**Compensation and Project Caps/Funding Per Year:** No per project cap; \$5,000,000 annual funding cap for the OPIF (10% labor and 20% local goods/services rebate); no annual funding cap for 6.2% GOLR**Project Criteria:** Minimum local spend = \$750,000 for OPIF; minimum local spend = \$1,000,000 for GOLR**Sunset/Review:** December 31, 2011**Hotel Occupancy Tax Relief Available:** Yes**Sales Tax Relief for Productions Available:** N/A (State does not impose sales & use tax)

Please visit [www.productionincentives.com](http://www.productionincentives.com)  
for more comprehensive and updated information.

**PENNSYLVANIA \***

**Type of Incentive:** Transferable tax credit (with a 3-year carry forward for the original recipient only); an assignee may not use the credit to reduce its tax liability by > 50%

**Benefit** (if eligibility requirements are met): The credit is 25% of qualifying local spend

**Compensation and Project Caps/Funding Per Year:** There is a \$15,000,000 per project cap on aggregate compensation paid to performing artists, and an annual funding cap of \$75,000,000

**Project Criteria:** Minimum local spend ≥ 60% of the budget

**Sunset/Review:** None; a report on the effectiveness of both incentives is due by June 1, 2008, and September 1st of each year thereafter

**Hotel Occupancy Tax Relief Available:** Yes

**Sales Tax Relief for Productions Available:** No

*\* A bill ([SB 262](#)) has been introduced to suspend the Film Production Tax Credit Program until 2011. Another bill ([HB 407](#)) creates a sunset date for the incentive on June 30, 2009.*

**PUERTO RICO**

**Type of Incentive:** Transferable film and infrastructure tax credits

**Benefit** (if eligibility requirements are met): 40% of qualifying local spend; for infrastructure projects, the lesser of 40% of the cash investment or 20% of the budget

**Compensation and Project Caps/Funding Per Year:** 50% of the cash invested as equity in the film project; \$15,000,000 per year (project cap can be raised on a per project basis)

**Project Criteria:** ≥ 50% of principal photography must be local; minimum budget for short-subject films = \$100,000, for series = \$1,000,000; for infrastructure projects, budgets > \$5,000,000 qualifying spend or investment ≥ 25% of existing FMV

**Sunset/Review:** None

**Hotel Occupancy Tax Relief Available:** No

**Sales Tax Relief for Productions Available:** No

**RHODE ISLAND**

**Type of Incentive:** Transferable tax credit

**Benefit** (if eligibility requirements are met): 25% of qualifying spend

**Compensation and Project Caps/Funding Per Year:** No per project cap; annual cap of \$15,000,000

**Project Criteria:** ≥ 51% of principal photography days must be local; minimum budget = \$300,000

**Sunset/Review:** None

**Hotel Occupancy Tax Relief Available:** No

**Sales Tax Relief for Productions Available:** No

**SOUTH CAROLINA \***

**Type of Incentive:** Cash rebate

**Benefit** (if eligibility requirements are met): 20% of all wages subject to withholding paid to actors (including stunt performers), SC residents and anyone working on a TV series (excluding persons paid ≥ \$1,000,000); 10% wage rebate for non-resident crew up to \$3,500 per person; 30% of qualifying local spend (paid to eligible SC suppliers)

**Compensation and Project Caps/Funding Per Year:** No project caps; annual funding of \$10,000,000 for wage rebate and 26% of admissions tax collected for previous year for the supplier rebate, approximately \$5,500,000 for fiscal year 2007-2008 (As of 2/15/2009, supplier funds are still available thru 6/30/09; both wage and supplier funds will be re-filled on 7/1/09)

**Project Criteria:** Minimum local spend ≥ \$1,000,000 during tax year

**Sunset/Review:** None

**Hotel Occupancy Tax Relief Available:** Yes

**Sales Tax Relief for Productions Available:** Yes

*\* Eight bills (including [HB 4815](#)) are pending in the South Carolina legislation, which if passed, could enhance or modify the existing Motion Picture Incentive Act.*

**SOUTH DAKOTA****Hotel Occupancy Tax Relief Available:** Yes**Sales Tax Relief for Productions Available:** Yes**TENNESSEE****Type of Incentive:** Grant and refundable credit**Benefit** 13% to 17% of qualifying local spend (from Film Commission) and an additional 15% refund for qualifying local headquarters (from Department of Revenue); additional 2% if ≥ 25% of cast and/or crew are resident; additional 2% if ≥ \$20,000 spent during post-production on qualifying music**Compensation and Project Caps/Funding Per Year:** Compensation for above-the-line personnel capped at \$100,000 per function; cap on additional 2% rebate for qualifying music expenses of \$100,000; funded by gifts, grants, donations and appropriations by the General Assembly, with approximately \$17 million available on June 1, 2008**Project Criteria:** Minimum local spend within 12 months of \$500,000 if headquartered outside the state, \$200,000 if within; \$1,000,000 local spend to qualify for the headquarters rebate**Sunset/Review:** None**Hotel Occupancy Tax Relief Available:** Yes**Sales Tax Relief for Productions Available:** Yes**TEXAS \*****Type of Incentive:** Grant**Benefit:** 5% of qualifying local spend, including residents' wages; if ≥ 25% of filming days are in "underused areas," the grant is increased by 1.25%**Compensation and Project Caps/Funding Per Year:** Project caps: \$2,000,000 for a film, \$2,500,000 for a television program, \$200,000 for a commercial or series of commercials, and \$250,000 for a digital interactive media production; salaries are capped at \$100,000 per worker (or \$200,000 per department head) per season on episodic television, and \$50,000 per worker (or \$200,000 per department head) on all other projects; \$10,000,000 annual fiscal year funding on September 1, with a contingency rider to supplement in \$5,000,000 increments as needed**Project Criteria:** Minimum local spend = \$1,000,000 for film or television program, or \$100,000 for a commercial, series of commercials; ≥ 70% of cast and crew must be residents; ≥ 80% of the moving image must be filmed locally**Sunset/Review:** None**Hotel Occupancy Tax Relief Available:** Yes**Sales Tax Relief for Productions Available:** Yes

*\* A bill ([SB 605](#)) has been introduced to modify the existing incentive by expanding its scope to educational or instructional videos and digital interactive media productions, allowing for a reduction of resident cast and crew upon a showing that they are not available, reducing the local filming requirement, eliminating the minimum spend tests, and increasing the grant for underused areas. Another bill ([HB 1142](#)) would provide for designation as a media production development zone with a sales and use tax exemption for specified transactions.*

**UTAH \*****Type of Incentive:** Cash rebate**Benefit** (if eligibility requirements are met): 15% of qualifying local spend**Compensation and Project Caps/Funding Per Year:** \$500,000 per project; \$5,500,000 for the fiscal year 2009**Project Criteria:** Minimum local spend = \$1,000,000**Sunset/Review:** None**Hotel Occupancy Tax Relief Available:** Yes**Sales Tax Relief for Productions Available:** Yes

*\* Legislation, [SB 14](#), has been proposed to provide cash rebates for small-budget productions and refundable tax credits for larger-budget productions up to 20%, effective January 1, 2009.*

Please visit [www.productionincentives.com](http://www.productionincentives.com)  
for more comprehensive and updated information.

**VERMONT****Hotel Occupancy Tax Relief Available:** Yes**Sales Tax Relief for Productions Available:** Yes**VIRGINIA\*****Type of Incentive:** Cash rebate**Benefit** (if eligibility requirements are met): Discretionary cash rebate**Compensation and Project Caps/Funding Per Year:** Based on funding appropriated by General Assembly; fiscal year funding ending June 2009 is \$200,000**Project Criteria:** Performance-based incentive that provides cash rebate at the Governor's discretion, taking into consideration length of filming, job creation, trainees hired, goods and services purchased**Sunset/Review:** None**Hotel Occupancy Tax Relief Available:** Yes**Sales Tax Relief for Productions Available:** Yes

*\* A bill ([SB 1421](#)) has been introduced to impose a digital media fee that would be used to provide funding of approximately \$2,000,000 a year for the Governor's Motion Picture Opportunity Fund for Film Office incentive programs.*

**WASHINGTON\*****Type of Incentive:** Cash rebate**Benefit** (if eligibility requirements are met): 20% of qualifying local spend**Compensation and Project Caps/Funding Per Year:** \$3,500,000 per year annual funding**Project Criteria:** Minimum local spend = \$500,000 for feature films, \$300,000 for television productions, \$150,000 for commercials**Sunset/Review:** None (annual survey)**Hotel Occupancy Tax Relief Available:** Yes**Sales Tax Relief for Productions Available:** Yes

*\* Proposed legislation ([HB 2042](#)) has been introduced to increase the incentive rate from 20% to 30%.*

**WEST VIRGINIA****Type of Incentive:** Transferable tax credit (with 2-year carry forward)**Benefit** (if eligibility requirements are met): 27% of qualifying local spend and an additional 4% if ≥ 10 residents employed full time, for a maximum of 31%; beginning January 1, 2010, the base credit is reduced to 22%, with no change in the incremental increases for local hires, for a maximum of 26%**Compensation and Project Caps/Funding Per Year:** No per project cap; \$10,000,000 annual funding**Project Criteria:** Minimum local spend = \$25,000; note limitations if the Federal New Markets Credit is accessed**Sunset/Review:** Review after 3 years, then every 2 years**Hotel Occupancy Tax Relief Available:** Yes**Sales Tax Relief for Productions Available:** Yes

## WISCONSIN

**Type of Incentive:** Refundable production expenditure credit and non-refundable resident employee payroll credit (with 15-year carry forward)

**Benefit** (if eligibility requirements are met): 25% of qualifying local spend (the two highest paid employees' wages are excluded for the resident employee payroll credit); non-resident wages qualify for the refundable production expenditure credit provided that they (1) meet the statutory definition of production expenditures, which does NOT include talent and marketing, (2) are for services provided directly to an accredited production in the state, and (3) are paid by an entity other than claimant, such as a payroll service company

**Compensation and Project Caps/Funding Per Year:** \$25,000 per person cap for resident employee payroll credit; no project or funding caps

**Project Criteria:** Minimum local spend for productions  $\geq$  30 minutes = \$100,000 (for productions < 30 minutes = \$50,000) aggregate compensation within 12 months of the start of principal photography

**Sunset/Review:** None

**Hotel Occupancy Tax Relief Available:** No

**Sales Tax Relief for Productions Available:** Yes

## WYOMING \*

**Type of Incentive:** Cash rebate

**Benefit** (if eligibility requirements are met): 12% to 15% of qualifying local spend

**Compensation and Project Caps/Funding Per Year:** No per project cap; \$2,000,000 currently appropriate for fund

**Project Criteria:** Minimum local spend = \$500,000

**Sunset/Review:** Annual report June 30, 2011

**Hotel Occupancy Tax Relief Available:** Yes

**Sales Tax Relief for Productions Available:** No

*\* A bill ([HB 71 PDF](#)) has been introduced to reduce the minimum local spend from \$500,000 to \$200,000 for projects to be eligible for the cash rebate.*

## INTERNATIONAL

### AUSTRALIA

**Type of Incentive:** Location and Visual (PDV) offsets and Producer offset (for "qualifying Australian film")

**Benefit** (if eligibility requirements are met): 15% of qualifying local spend (QAPE), including post/digital/VFX work for Location and Visual offsets; 40% for qualifying feature films and 20% for qualifying television productions/documentaries for Producer offset

**Compensation and Project Caps/Funding Per Year:** No caps

**Project Criteria:** For Location offset, if QAPE = A\$15,000,000 but < A\$50,000,000, it must be  $\geq$  70% of total spend; if QAPE  $\geq$  A\$50,000,000, no percentage test; TV series must average  $\geq$  A\$1,000,000 per hour; for Visual offset, minimum qualifying PDV spend = A\$5,000,000; for Producer offset minimum spend = \$1,000,000 for feature films, TV series and telemovies (lower spend test for documentaries and short form animation) and production must pass "Australianness test" (subjective), official co-productions automatically qualify

**Eligible Entities:** Australian resident company or non-resident with a PE and Australian Business Number

**Sunset/Review:** None

Please visit [www.productionincentives.com](http://www.productionincentives.com)  
for more comprehensive and updated information.

*The following information on production incentives in Canada and its provinces has been provided by Canada Film Capital. Since Canada's introduction of Production Services Tax Credits in 1997, Canada Film Capital has been the leading provider of tax credit administration and financing services to U.S. and other foreign producers. Find out more at [www.canadafilmcapital.com](http://www.canadafilmcapital.com).*

## CANADA

**Type of Incentive:** Refundable tax credit

**Benefit** (if eligibility requirements are met): 16% of qualifying Canadian labor expenditures, net of assistance (which includes provincial credits)

**Compensation and Project Caps/Funding Per Year:** No caps

**Project Criteria:** Costs must be > C\$1,000,000 on worldwide basis within 24 months after start of principal photography for feature film or video; > C\$100,000 per episode for series or pilot ≤ 30 minutes; and > C\$200,000 per episode for series or pilot > 30 minutes

**Eligible Entities:** An "eligible production corporation" must have a permanent establishment in Canada whose primary activity is the production of films or videos or the provision of film or video production services AND must own the copyright throughout production in Canada or must contract directly with the copyright owner; private broadcasting/cable subsidiaries are eligible

**Sunset/Review:** None

### Alberta

**Type of Incentive:** Cash grant

**Benefit** (if eligibility requirements are met): 14-23% of qualifying Alberta (AB) spend (goods and services); there are 3 "Streams" of AB ownership which determine the amount of the benefit available: Stream I - Majority Albertan-Owned Productions with 2 AB keys = 21 %; Stream II - Equal or Minority Albertan Ownership with 1 AB key = 19 %; Stream III - No Albertan Ownership (foreign ownership is permissible) = 14 %; BONUSSES: each Stream can earn an additional 1 to 2 % of production expenses by employing additional Albertans in key creative positions

**Compensation and Project Caps/Funding Per Year:** Cap per project C\$1,500,000; annual funding cap C\$34,000,000 (year ending April 30, 2009)

**Project Criteria:** The production must be supported by a broadcast license of FMV or a distribution agreement and be shown within 2 years of completion; must be an eligible genre; minimum local spend of > C\$25,000; production must provide evidence of 65% confirmed financing for projects > C\$1 million, and 45% confirmed financing for projects < C\$1 million; must also provide either: audited financial statements for productions > C\$500,000, an engagement review for productions between C\$200,000 - C\$500,000, or a Final Production cost report with a statutory declaration by producer for productions < C\$200,000; application must be submitted prior to the start of principal photography

**Eligible Entities:** The production company must be a Canadian taxable company with a permanent establishment in AB whose primary business is film or video production; distributors/broadcasters are ineligible

**Sunset/Review:** None

## British Columbia

**Type of Incentive:** Refundable tax credit

**Benefit** (if eligibility requirements are met): 25% of qualifying British Columbia (BC) labor expenditures; Digital Animation or Visual Effects (DAVE) Credit bonus: 15% additional credit on qualifying DAVE labor; Regional Tax Credit bonus: 6% of qualifying BC "regional" labor when > 50% of BC principal photography is done outside Vancouver area (pro rate number of regional days by total BC days), minimum 5 regional days required; Distant Location Credit: additional 6% of qualifying BC "distant" labor (calculated by pro rating number of days shot in "distant location" by total BC days; must first qualify for Regional Tax Credit)

**Compensation and Project Caps/Funding Per Year:** No caps

**Project Criteria:** Production budget must be > C\$1,000,000 worldwide for feature film or video; > C\$100,000 per episode for series or pilot ≤ 30 minutes (exception: productions that consist of all or substantially all digital animation or visual effects);

> C\$200,000 per episode for series or pilot > 30 minutes

**Eligible Entities:** The production company must be a Canadian taxable company with a permanent establishment in BC whose primary business is film or video production or provision of production services; broadcasting/cable subsidiaries are eligible

**Sunset/Review:** Current tax credit rate subject to review on January 1, 2010

## Manitoba

**Type of Incentive:** Refundable tax credit

**Benefit** (if eligibility requirements are met): 45% of qualifying Manitoba (MB) labor expenditures (which can also include labor paid to non-MB residents who work in technical, below-the-line positions, to a maximum of 30% of total actual MB labor expenditures if 2 MB residents trained per non-resident; non-residents do not have to deliver the training); Regional Tax Credit bonus: 5% of qualifying MB labor expenditures if ≥ 50% of MB production days shot at least 35 km from the centre of Winnipeg; Frequent Filming bonus: 10% of qualifying MB labor expenditures on third film shot within 2-year period (producers can access bonus by co-venturing with a company that has frequent filming status); MB Producer Incentive: 5% of qualifying MB labor expenditures for productions where an MB resident receives credit as a Producer

**Compensation and Project Caps/Funding Per Year:** No caps

**Project Criteria:** ≥ 25% of salaries and wages paid by production company must be paid to eligible MB employees for work performed in MB

**Eligible Entities:** The production company must be a corporation taxable in Canada, with a permanent establishment in MB, primarily carrying on the business of film, TV, or video production; broadcasters are eligible

**Sunset/Review:** None

## New Brunswick

**Type of Incentive:** Refundable tax credit

**Benefit** (if eligibility requirements are met): 40% of qualifying New Brunswick (NB) labor expenditures; labor caps at 50% of total production costs

**Compensation and Project Caps/Funding Per Year:** Project labor caps at 50% of total production costs; no annual funding caps

**Project Criteria:** ≥ 25% of salaries and wages paid by production company must be paid to eligible NB employees for work performed in NB

**Eligible Entities:** The production company must be a corporation taxable in Canada, with a permanent establishment in NB, primarily carrying on the business of film, TV, or video production; broadcasters are ineligible

**Sunset/Review:** None

## Newfoundland and Labrador

**Type of Incentive:** Refundable tax credit

**Benefit** (if eligibility requirements are met): 40% of qualifying Newfoundland-Labrador (NL) labor expenditures

**Compensation and Project Caps/Funding Per Year:** Tax credit caps at the lesser of 25% of the total production costs or C\$3,000,000 per 12-month period

**Project Criteria:** ≥ 25% of salaries and wages paid by production company must be paid to eligible NL employees for work performed in NL

**Eligible Entities:** The production company must be a corporation taxable in Canada, with a permanent establishment in NL, primarily carrying on the business of film, TV, or video production; broadcasters are ineligible

**Sunset/Review:** None

## Nova Scotia

**Type of Incentive:** Refundable tax credit

**Benefit** (if eligibility requirements are met): 50% of qualifying Nova Scotia (NS) labor expenditures; tax credit caps at 25% of total production costs; Regional Credit bonus: 10% of qualifying NS labor expenditures for productions shooting outside metro Halifax; tax credit caps at 30% of total production costs; Frequent Filming bonus: 5% of qualifying NS labor expenditures on third film shot within 2-year period

**Compensation and Project Caps/Funding Per Year:** Project labor caps at 50% of total production costs; no annual funding caps

**Project Criteria:** ≥ 25% of labor costs paid to NS residents (including personal service corporations); also qualifying are wages and salaries paid to Nova Scotians for work performed outside province; projects with budgets > C\$500,000 require an audited cost report; budgets > C\$100,000 require a review engagement report; budgets < C\$100,000 require a producer's affidavit certifying the final cost report

**Eligible Entities:** The production company must be a corporation taxable in Canada, with a permanent establishment in NS, primarily carrying on the business of film, TV, or video production; broadcasters are ineligible

**Sunset/Review:** Subject to review in 2016

## Ontario

**Type of Incentive:** Refundable tax credit

**Benefit** (if eligibility requirements are met): 25% of qualifying Ontario (ON) labor expenditures; Ontario Computer Animation and Special Effects (OCASE) Tax Credit bonus: 20% of ON resident salaries and 10% of payments made to self-employed individuals who work in computer animation and special effects

**Compensation and Project Caps/Funding Per Year:** No caps

**Project Criteria:** Production budget must be > C\$1,000,000 worldwide for feature film or video; > C\$100,000 per episode for series or pilot ≤ 30 minutes; > C\$200,000 per episode for series or pilot > 30 minutes

**Eligible Entities:** The production company must be a corporation taxable in Canada, with a permanent establishment in ON, primarily carrying on the business of film, TV, or video production; broadcasters are eligible

**Sunset/Review:** Current rate subject to review after December 31, 2008; proposal being tabled to remove sunset clause and make current rate permanent

## Prince Edward Island

**Type of Incentive:** Refundable tax credit

**Benefit** (if eligibility requirements are met): 35% of 150% of eligible Prince Edward Island (PE) labor costs (the 50% markup above actual labor provides some allowance for overhead and other materials costs to be claimed)

**Compensation and Project Caps/Funding Per Year:** First two years of eligible expenditures

**Project Criteria:** The company must apply for a Preliminary Certificate before commencing the project, and must then apply for the tax credit within six months of the earlier of: the estimated completion date as set out in the Preliminary Certificate or the project's actual completion date

**Eligible Entities:** The company must be a corporation taxable in Canada, with a permanent establishment in PE that carries on business within a strategic industrial sector, including the interactive, information and communications technology sector (which includes film and television), and that undertakes the development or commercialization of new or innovative products, processes, or services relating to that sector

**Sunset/Review:** None

## Quebec

**Type of Incentive:** Refundable tax credit

**Benefit** (if eligibility requirements are met): 25% of qualifying Quebec (QC) labor expenditures; Quebec Computer Animation and Special Effects Tax Credit bonus: 20% additional credit on qualifying animation and special effects labor

**Compensation and Project Caps/Funding Per Year:** No caps

**Project Criteria:** Production budget must be > C\$1,000,000 worldwide for feature film or video; > C\$100,000 per episode for series or pilot ≤ 30 minutes; > C\$200,000 per episode for series or pilot > 30 minutes

**Eligible Entities:** The production company must be a corporation taxable in Canada, with a permanent establishment in QC, primarily carrying on the business of film, TV, or video production; broadcasters are eligible

**Sunset/Review:** None

## Saskatchewan

**Type of Incentive:** Refundable tax credit

**Benefit** (if eligibility requirements are met): 45% of qualifying Saskatchewan (SK) labor expenditures (which can also include labor paid to non-SK residents who train a SK resident in all job categories, above- and below-the-line, to a maximum of 25% of actual SK labor expenditures); labor caps at 50% of total production costs; Regional Tax Credit bonus: 5% of total SK spend if > 50% of principal photography shot at least 40 km outside Regina or Saskatoon; Key Position bonus: 5% of total SK spend for productions that attain > 6 out of 10 points for hiring SK residents in key positions

**Compensation and Project Caps/Funding Per Year:** Project labor caps at 50% of total production costs; no annual funding cap

**Project Criteria:** ≥ 25% of salaries and wages must be paid to SK residents

**Eligible Entities:** The production company must be a corporation taxable in Canada, with a permanent establishment in SK, primarily carrying on the business of film, TV, or video production; broadcasters are ineligible

**Sunset/Review:** None

## Yukon

**Type of Incentive:** Labor, travel, and training rebates

**Benefit** (if eligibility requirements are met): Film Location Incentive: labour rebate = 35% of qualifying Yukon (YT) labor expenditures (which also include wages paid to a non-resident providing on-set training to a YT resident); labor caps at 50% of YT expenditures; Travel rebate: for commercials and documentary productions = 50% of travel costs from Vancouver to Whitehorse, to a maximum of the lesser of: C\$10,000, or 10% of total YT expenditures; for TV series, movie or feature film productions = 50% of travel costs from Vancouver to Whitehorse, to a maximum of the lesser of: C\$15,000 or 15%, provided YT expenditures not assisted by other incentives

**Compensation and Project Caps/Funding Per Year:** Project labor caps at 50% of total production costs

**Project Criteria:** The labor rebate is available to productions supported by a broadcast license or distribution arrangement, shooting on location in YT where the YT labor content  $\geq$  25% of the total person days on the YT portion of the production; the travel rebate is available to production companies from outside YT where the YT labor content  $\geq$  15% of the total person days on the YT portion of the production; the training rebate must be applied for and approved in advance by the Yukon Film & Sound Commission

**Eligible Entities:** The production company must be a corporation taxable in Canada, with a permanent establishment in YT, primarily carrying on the business of film, TV, or video production

**Sunset/Review:** None

## FIJI

**Type of Incentive:** Refundable tax rebate

**Benefit** (if eligibility requirements are met): 15% of qualifying local spend

**Compensation and Project Caps/Funding Per Year:** F\$3,750,000 per project

**Project Criteria:** Minimum local spend = F\$250,000; if the local spend is < F\$25,000,000, the local spend must be  $\geq$  35% of the total spend; if the local spend  $\geq$  F\$25,000,000, there is no percentage test

**Eligible Entities:** Any film company

**Sunset/Review:** None

## FRANCE

**Type of Incentive:** Non-transferable tax credit

**Benefit** (if eligibility requirements are met): 20% of qualifying local spend (up to 80% of the total production costs)

**Compensation and Project Caps/Funding Per Year:** Total public subsidies granted for the tax credits of one project  $\leq$  50% of total production costs

**Project Criteria:** Minimum local spend = €1,000,000 for eligible fictional and animation projects; cultural test

**Eligible Entities:** Production company based outside France

**Sunset/Review:** December 31, 2012

## GERMANY

**Type of Incentive:** Cash (financial aid) grant

**Benefit** (if eligibility requirements are met): 20% of qualifying local spend (up to 80% of the total production costs)

**Compensation and Project Caps/Funding Per Year:** €4,000,000 per film (€10,000,000 if local spend  $\geq$  35% of budget or if  $\geq$  2/3 of cultural characteristics awarded; €60,000,000 per year)

**Project Criteria:** Minimum budgets for feature films = €1,000,000, animated films = €3,000,000, documentaries = €200,000;  $\geq$  25% of budget must be local spend or 20% if budgeted > €20,000,000; if €15,00,000 local spend, no percentage test; cultural test

**Eligible Entities:** German production company or establishment

**Sunset/Review:** December 31, 2009

## HUNGARY

**Type of Incentive:** Sponsor tax credit

**Benefit** (if eligibility requirements are met): 20% of qualifying local spend (up to 25% effective rate including foreign spend)

**Compensation and Project Caps/Funding Per Year:** No caps

**Project Criteria:** Culture test requires that 16 out of 32 points be achieved, with at least 2 points in the cultural criteria (vs. the industrial criteria); no spend test

**Eligible Entities:** Hungarian production company

**Sunset/Review:** December 31, 2013

## ICELAND

**Type of Incentive:** Cash rebate

**Benefit** (if eligibility requirements are met): 14% of qualifying local spend

**Compensation and Project Caps/Funding Per Year:** No caps

**Project Criteria:** > 80% of the total production cost is incurred in Iceland, the rebate is calculated on the basis of the total cost within the European Economic Area

**Eligible Entities:** Registered production company

## IRELAND \*

**Type of Incentive:** Up front production funding (spend-based, up-front incentive based on eligible Irish expenditure)

**Benefit** (if eligibility requirements are met): The 20% benefit prior to 1/1/09 is increased by passing on to the producer the value of the benefit to an individual investor who can now claim relief on 100% of his investment up to Euros 50,000 rather than 80% of Euros 31,750 (The Irish Film Board estimates the new benefit to be up to 28%)

**Compensation and Project Caps/Funding Per Year:** Capped at 80% of global spend up to €50,000,000 (subject to EU approval)

**Project Criteria:** The amount spent in Ireland on the production must at least equal the amount of investment eligible for tax relief.

**Eligible Entities:** Registered Irish production company

**Sunset/Review:** December 31, 2012

**Loan Program for Productions Available:** Yes

*\* Amendments to the Finance Bill 2009 affecting section 481 are subject to EU approval.*

## ITALY

**Type of Incentive:** Up front reduction in overall costs

**Benefit** (if eligibility requirements are met): Up to 25% tax credit to an Italian executive producer

**Compensation and Project Caps/Funding Per Year:** Euros 5,000,000 per project

**Project Criteria:** Applies to local spend

## KENYA \*

*\* A "Large Film & Television Film Incentive" [sic] has been proposed to provide a 25% rebate on qualifying local spend for projects with a budget of US\$500,000 or more and 50% of principal photography in Kenya. There is a per project cap of US\$2,000,000 and initial funding of US\$10,000,000. There is an additional incentive of 10% for local trainee programs for above- and below-the-line talent.*

## NEW ZEALAND

**Type of Incentive:** Large Budget Screen Production (LBSP) Grant, cash grant; Post, Digital, Visual Effects Production (PDV) Grant, cash grant; Screen Production Incentive Fund (SPIF), cash grant

**Benefit** (if eligibility requirements are met): 15% of qualifying local spend (QNZPE) for LBSP and PDV Grants; 40% of qualifying local spend (QNZPE) on eligible feature films, and 20% on eligible television, documentary and short form animation for SPIF Grant

**Compensation and Project Caps/Funding Per Year:** Maximum amount eligible for QNZPE for any individual project is NZ\$15,000,000 for SPIF Grant

**Project Criteria:** Minimum QNZPE = NZ\$15,000,000; or NZ\$3,000,000 in post-production digital and visual effects work; bundling of productions costing a minimum of NZ\$3,000,000 to meet the NZ\$30,000,000 QNZPE over 24 months; bundling of episodes (completed within 12 mos.) averaging NZ\$500,000 per hour is permitted to meet the minimum spend. For SPIF Grant, minimum QNZPE = NZ\$4,000,000 for eligible feature films, NZ\$1,000,000 for eligible series of programs, NZ\$1,000,000 for eligible single episode program, NZ\$250,000 for eligible documentary, NZ\$250,000 for eligible short-form animation, and all eligible projects must contain significant New Zealand content; official co-productions of feature films or television programming produced under one of New Zealand's co-production agreements will automatically qualify as having significant NZ content and may be eligible to apply for an SPIF Grant

**Eligible Entities:** A New Zealand resident company or a foreign corporation operating with a fixed establishment in New Zealand for the purposes of lodging an income tax return (both when it lodges the Grant application and when the Grant is paid)

**Sunset/Review:** Review scheduled for 2011 for LBSP and PDV Grants; review scheduled for 2012 for SPIF Grant

## NORWAY \*

*\* A proposed incentive has been introduced with a 15% rebate on qualifying expenditures. Drafts of the regulations are under approval.*

## SINGAPORE

**Type of Incentive:** Cash rebate

**Benefit** (if eligibility requirements are met): Up to 50% of qualifying expenses incurred for filming in Singapore

**Compensation and Project Caps/Funding Per Year:** No caps, but funding is discretionary and will be disbursed in stages, subject to conditions that will be based on a contractual agreement

**Project Criteria:** Singapore must be showcased in a positive light in the script, and the production must provide an estimated budget of local spend, track record of the director, producer, and actors, and the financing, marketing, and distribution plan on the initial application to be considered

**Eligible Entities:** Singapore production company

**Sunset/Review:** None

## SOUTH AFRICA

**Type of Incentive:** Cash rebate

**Benefit** (if eligibility requirements are met): 15% of qualifying local spend (QSAPE)

**Compensation and Project Caps/Funding Per Year:** R10,000,000 per project; R300,000,000 for three years beginning in 2007

**Project Criteria:** Minimum QSAPE = R\$12,000,000; for productions with QSAPE of R12,000,000 to R99,999,999, ≥ 50% of principal photography for a minimum of 4 weeks must be local; for productions with QSAPE ≥ R100,000,000, principal photography and shooting requirements may be waived

**Eligible Entities:** South African production company

**Sunset/Review:** Decemeber 31, 2013

**TRINIDAD & TOBAGO**

**Type of Incentive:** Cash rebate

**Benefit** (if eligibility requirements are met): 12.5% to 30% of qualifying local spend

**Compensation and Project Caps/Funding Per Year:** Capped at US\$300,000; to be reviewed in 2009

**Project Criteria:** Minimum local spend = US\$100,000; subjective criteria include total local spend, local crew, training, use of interns, portrayal of the country

**Eligible Entities:** Qualified local production company

**Sunset/Review:** Fiscal year review

**UNITED KINGDOM**

**Type of Incentive:** Payable tax credit

**Benefit** (if eligibility requirements are met): If the “core expenditure” is ≤ £20,000,000, an enhanced deduction of 100% may be claimed for a payable tax credit of 25% of UK qualifying spend; if the “core expenditure” is > £20,000,000, an enhanced deduction of 80% (or the “UK spend” if less than 80% of “qualifying expenditure”) can be claimed for a payable tax credit of 20%

**Compensation and Project Caps/Funding Per Year:** No caps

**Project Criteria:** Certified “British” film or official co-production; ≥ 25% of the “core expenditure” must be “UK expenditure”; intended for theatrical release

**Eligible Entities:** Qualified UK production company

**Sunset/Review:** None