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STATE FILM PRODUCTION INCENTIVES & PROGRAMS

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Hollywood has long been associated with America's dominance in the motion picture industry. But, in the 1980s and early 1990s, a favorable currency exchange rate and government sponsored tax incentives lured film production from California to Canada. It wasn't long before state policy makers took matters into their own hands to compete for the film industry.

Louisiana was the first state to adopt state tax incentives for film and television production in 1992. In 2002, Louisiana expanded its program and the state's film industry began to experience strong growth. Other states responded to Louisiana's success. By 2009, 44 U.S. states, Puerto Rico and Washington D.C. offered some form of film and television production incentives. However, popularity for these programs has waned, and support for the film industry has decreased in recent years. In 2016, only 37 states continue to maintain film incentive programs, and several of these states are tightening the requirements for qualifying expenses and reeling-in per-project and annual program caps.

Most states' policymakers walk a fine line and try to balance film production incentives in ways that limit forgone revenue, yet still reduce the chances of losing the state's film industry to competing incentive programs. Since 2009, 10 states have ended their incentive programs. Most recently, growing budget deficits or unclear economic benefits caused Michigan, New Jersey, and Alaska to cut their incentive programs. No additional states have introduced programs since Nevada in 2014. However, Kentucky, Maryland, and California have expanded or extended their programs to better compete with other states' film industries.

Notable changes include Louisiana—a state known for attracting big-budget films because it has no production credit cap—has introduced a per-project cap of \$30 million and an annual program cap of \$180 for fiscal years 2016-2018. In addition, Montana and North Carolina replaced their tax incentive programs with grant programs capped at \$1 million and \$30 million per year respectively—increasing state discretion over the type of films that are eligible for funding. Connecticut suspended its incentives for film production through July 2017, but maintains tax credits for other types of media.

At the same time, Kentucky increased its available tax credit from 20 percent to 30-35 percent of qualified production expenses. California expanded its annual program budget from \$100 million to



\$330 million, and added a 25 percent tax credit for relocating TV series. Since California's changes in 2014, four TV series have relocated from competing states. Maryland, removed the 2016 sunset provision from its film incentives, but its film office must request program funding on an annual basis. In addition, some municipalities, such as Kansas City, Missouri, have introduced film incentives at the local level.

Overall, states are increasing evaluation and oversight of film incentive programs. A number of states have performed a cost benefit analysis of their film incentive program, or require an audit before a production can receive a rebate or credit. At least 55 percent of all states offering incentives now require an audit or other verification from production companies. This percentage has increased from 38 percent in 2014.

The following outlines state film incentive programs.

State Film Production Incentives/Programs

State/Jurisdiction	Film Production Incentive/Credit Program
Alabama	<p>A qualified production company shall be entitled to a 25 percent rebate of all state certified expenditures and 35 percent of all payroll paid to residents of Alabama for the state certified production. Production expenditures for a project must equal or exceed at least \$500,000 but must not exceed \$20 million. Beginning fiscal year 2015, there is an annual program cap of \$20 million.</p> <p>An audit of all in-state production activities must be performed before tax incentives are awarded.</p> <p>In addition to the rebate, the state offers sales tax and lodging tax exemptions.</p>
Alaska	<p>No film incentive program. Effective July 1, 2015, the film production incentive program was repealed.</p> <p>Alaska has no state sales or income tax.</p>
Arizona	<p>No film incentive program.</p>
Arkansas	<p>Production company shall be eligible for a rebate on all qualified production costs in connection with the production of a state certified film project.</p> <p>A production company is eligible for a 20 percent rebate of all qualified production costs associated with the production of a state certified production (including resident and non-resident labor).</p> <p>An approved production company may also receive an additional rebate of 10 percent for the payroll of below-the-line employees involved in the production who are full-time residents of the state. Productions must spend a minimum of \$500,000, and there is an annual cap of \$5 million.</p> <p>The incentive program is scheduled to sunset on June 30, 2019.</p>

State Film Production Incentives/Programs

State/Jurisdiction	Film Production Incentive/Credit Program
California	<p>The California Film & TV Tax Credit Program 2.0, enacted in September 2014, provides tax credits for qualified productions produced in California.</p> <p>Feature films and TV series, or television pilots may be eligible for a 20 percent or 25 percent non-transferable tax credit depending on certain criteria. These productions must meet a minimum budget requirement of \$1 million and credit allocation applies only to the first \$100 million in qualified expenditures. Movies of the Week or miniseries with a minimum production budget of \$500,000 may also qualify for this credit.</p> <p>Independent projects are eligible for a 25 percent transferable tax credit. These productions must meet a minimum budget requirement of \$1 million and credit allocation applies only to the first \$10 million of qualified expenditures.</p> <p>Relocating TV series are eligible for a 25 percent non-transferable tax credit. These productions must meet a minimum budget requirement of \$1 million. Additional seasons of a relocating TV series are eligible for a 20 percent transferable tax credit.</p> <p>The annual program cap for the fiscal year ending June 30, 2015 is \$230 million. The new annual program cap is \$330 million beginning July 1, 2016 through June 30, 2020.</p> <p>An audit of all in-state production activities must be performed before tax incentives are awarded.</p>
Colorado	<p>The Colorado Film Incentive program offers a 20 percent cash rebate for production costs taking place in the state.</p> <p>The incentive program covers feature films, television pilots, television series (broadcast and cable), television commercials, music videos, industrials, documentaries, video game design and creation, and other forms of content creation. Bonded productions are eligible to have 100 percent of their projected rebate escrowed up front with the bond company. An additional component of the program is a loan guarantee program with the state guaranteeing up to 20 percent of a production budget. This program is only available to film productions. A production may be eligible for both the performance-based incentive and the loan guarantee programs.</p> <p>To be eligible, a Colorado production company must have qualified local expenditures of at least \$100,000. An out-of-state production company must have at least \$1 million in qualified local expenditures (the exception being television commercials and video game productions, which must have qualified local expenditures of \$250,000). Productions must also hire a workforce (cast & crew) comprised of at least 50 percent Colorado residents.</p> <p>The Colorado film office must request program funding on an annual basis. For fiscal year 2015-2016 the annual program cap was \$3.5 million.</p> <p>An audit of all in-state production activities must be performed before tax incentives are awarded.</p>

State Film Production Incentives/Programs

State/Jurisdiction	Film Production Incentive/Credit Program
Connecticut	<p>In, 2006, General Assembly established tax credits for the production of digital media and motion pictures. The statute was amended in 2007 by Public Act 07-236 and again in 2009 by House Bill 6802.</p> <p>For income years starting Jan. 1, 2010, the 2009 bill increases the minimum expenditure to \$100,000 and makes the credit amount dependent on the production's total expenses or costs. Production companies incurring production expenses or costs between \$100,000 and \$500,000 are eligible for a 10 percent credit, between \$500,000 and \$1 million are eligible for a 15 percent credit, and over \$1 million continue to be eligible for a 30 percent credit. There is no annual program cap. The only cap is a \$15 million limit on salaries per person.</p> <p>The state also offers a tax credit for infrastructure costs, and exemptions for property, sales and hotel taxes.</p> <p>An audit of all in-state production activities must be performed before tax incentives are awarded.</p> <p><i>Beginning July 1, 2015, there is a two-year suspension of feature films as an eligible production type for the Film and Digital Media Production Tax Credit.</i></p>
Delaware	<p>No film incentive program. However, the state does not levy a sales tax.</p>
District of Columbia	<p>On March 9, 2016 the District of Columbia Film Television and Entertainment Rebate Act of 2016 was enacted, replacing the Film DC Economic Incentive Fund Act of 2006.</p> <p>Qualifying productions can received up to 35 percent of the company's qualified production expenditures that are subject to taxation in the district; 21 percent if expenses are not subject to taxation in the district. 30 percent of the company's qualified personnel expenditures that are subject to taxation in the District; 10 percent if expenses are not subject to taxation in the district. 50 percent of the company's qualified job training expenditures, and 25 percent of the company's base infrastructure investment; provided the facility is used for purposes related to media production or postproduction activities.</p> <p>To qualify, an approved applicant must spend at least \$250,000 in the District of Columbia on qualified expenditures, and not be delinquent in any tax obligation owed to the District of Columbia. The program is funded by an annual appropriation.</p>

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Florida	<p>Florida offers a base transferrable tax credit of 20 percent to 30 percent. Additional bonus credits of 5 percent are available for certain types of productions.</p> <p>There are three incentive categories: (1) <i>General Production Queue</i>: qualifying productions include films, TV (TV series may be ineligible), documentaries, digital media projects, commercials and music videos. A minimum of \$625,000 must be spent and the maximum incentive award is \$8,000,000. (2) <i>Commercial and Music Video Queue</i>: A minimum of \$100,000 per commercial or music video must be spent. A production company must spend at least \$500,000 within one fiscal year to apply (projects can be bundled). The maximum incentive is \$500,000 per fiscal year. (3) <i>Independent Emerging Media Production Queue</i>: Films, TV, documentaries and digital media projects are eligible. A minimum of \$100,000 must be spent and a maximum of \$625,000 can be spent to qualify. The maximum incentive awarded is \$125,000.</p> <p>Also, effective Jan. 1, 2001, any qualified production company engaged in Florida in the production of motion pictures, made for television motion pictures, television series, commercial advertising, music videos or sound recordings may be eligible for a sales and use tax exemption on the purchase or lease of certain items used exclusively as an integral part of the production activities in Florida.</p> <p>An audit of all in-state production activities must be performed before tax incentives are awarded.</p> <p>This program is set to sunset June 30, 2016.</p> <p>The state does not levy a state income tax.</p>
Georgia	<p>The Entertainment Industry Investment Act offers an across the board flat, one-time transferrable, tax credit of 20 percent based on a minimum investment of \$500,000 on qualified productions in Georgia. An additional 10 percent Georgia Entertainment Promotion uplift can be earned by including an imbedded animated Georgia logo on approved projects. There is no cap on spending in Georgia. The state also offers a sales & use tax exemption. Qualified companies can get an immediate point-of-purchase sales tax exemption that will save productions up to 8 percent on most below-the-line materials and service purchases or rentals. There is no per-project or annual program cap for film incentives.</p>

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Hawaii	As of July 2013, Hawaii expanded the Motion Picture, Digital Media & Film Production Income Tax Credit. A refundable tax credit based on a production company's Hawaii expenditures while producing a qualified film, television, commercial, or digital media project is available for producers. The credit equals 20 percent of qualified production costs incurred on Oahu, and 25 percent on the neighbor islands (Big Island, Kauai, Lanai, Maui, Molokai). Act 88/89 also increased the per production cap to \$15 million, qualifies productions with internet-only distribution, allows state and county location and facilities fees to count towards qualified expenditures and extends the credit's sunset date to Dec. 31, 2018. Additionally, the state has a Royalties Tax Exemption. Royalties derived from performing arts products are excluded from a Hawaii taxpayer's income and not subject to state income tax.
Idaho	Program is not currently funded. Most cities do not require film permits.
Illinois	<p>In 2008, the General Assembly passed the Film Production Tax Credit Act, which offers producers a transferrable credit of 30 percent of all qualified expenditures, including post-production, and will not sunset until 2021 (it is renewable in five-year increments after 2021). The tax credit also aims to stimulate diversity in production hiring. There is no per-project or annual program cap. Benefits include:</p> <ul style="list-style-type: none"> • 30 percent of the qualified Illinois Production Spending. • 30 percent credit on Illinois salaries up to \$100,000 per worker. • Tax credit can be carried forward five years from when originally issued by Illinois Film Office. • Applicants will receive an additional 15 percent tax credit on salaries of individuals that live in an economically disadvantaged area (at least 13.8 percent unemployment). <p>An audit of all in-state production activities must be performed before tax incentives are awarded.</p>
Indiana	No film incentive program. Accommodation stays of thirty (30) days or more may be exempt from the County Innkeeper's Tax.
Iowa	No film incentive program. However, in 2013, Iowa reestablished a film office, "Produce Iowa."
Kansas	No film incentive program.

State Film Production Incentives/Programs

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Kentucky	<p>As of Jan. 1, 2015 Kentucky increased tax incentives for film production. Qualified productions can take advantage of a refundable income tax credit of up to 30 percent of approved expenditures, or 35 percent incentive for Kentucky resident labor, or 35 percent incentive for filming in an enhanced incentive county. There is currently no program cap.</p> <p>Film production incentives are available to companies that spend at least \$250,000 to produce feature films or television shows in Kentucky. Commercials are eligible with required expenditures of \$100,000.</p> <p>Documentaries and Broadway productions are eligible with an expenditure minimum of \$20,000, for a Kentucky-based company the threshold would be \$10,000.</p> <p>There is also a refundable sales tax incentive for film production in Kentucky that will remain in place.</p>
Louisiana	<p>The state offers a 30 percent transferable income tax credit for total in-state expenditures related to the production of a motion picture. For productions using in-state labor, Louisiana offers an additional 10 percent payroll tax credit. There is a \$50,000 threshold for local Louisiana productions meeting certain qualifications, and a \$300,000 minimum in-state expenditure requirement.</p> <p>For fiscal years 2016-2018 the maximum amount of credits that can be claimed per fiscal year is \$180 million.</p> <p>The state also offers a Digital Interactive Media and Software Development refundable tax credit. For products such as Digital Media and Games, Web-based and Mobile Applications, Interactive Devices and Consoles, etc.</p> <p>An audit of all in-state production activities must be performed before tax incentives are awarded.</p>
Maine	<p>The state's film incentive program includes: a wage-tax rebate plan (the program offers producers of a certified media production or productions a partial reimbursement of eligible employee wages). Generally, companies are reimbursed 10 percent of the amount paid as wages for non-Maine residents and 12 percent of the amount paid as wages for Maine residents. Additionally, productions may qualify for an additional 5 percent non-transferable, non-refundable tax credit on non-wage production expenses. The minimum qualified spend is \$75,000. Maine also offers no state sales taxes on most production items, reimbursement on lodging taxes for long-term stays, and no state sales tax on purchases of most fuel and electricity for productions. This program has no sunset date and no annual or project caps.</p>

State Film Production Incentives/Programs

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Maryland	<p>A film production entity may receive a refundable income tax credit of up to 25 percent of qualified direct costs of a film production activity. A television series may receive a credit of up to 27 percent of qualified direct costs. The total direct costs may not include any salary, wages or "other compensation" of an individual who receives more than \$500,000 for personal services in connection with the film production activity.</p> <p>To qualify, the production must incur at least \$500,000 in total direct costs in the state and at least 50 percent of the production's filming must occur in Maryland. In addition, the production must have nationwide distribution.</p> <p>An audit of all in-state production activities must be performed before tax incentives are awarded.</p> <p>Effective July 1, 2015 the program sunset date of June 30, 2019 has been repealed. Program funding is capped at \$7.5 million until fiscal year 2016, after this date the appropriate cap will be determined on a year by year basis.</p>
Massachusetts	<p>Film producers are eligible for a 25 percent production credit, a 25 percent payroll credit, and a sales tax exemption. Any project that spends more than \$50,000 in Massachusetts qualifies for the payroll credit. Spending more than 50 percent of total budget or filming at least 50 percent of the principal photography days in Massachusetts makes the project eligible for the production credit and a sales tax exemption. There are no annual or project caps, no residency requirements, and no extended schedule of credit payouts. The purchase of tangible personal property, including meals are eligible for a sales tax exemption. Unused tax credits can be carried forward for up to 5 years and are transferrable. A production company may also request a refund of up to 90 percent of unused credits.</p>
Michigan	<p>No Longer Offers Incentive Program as of 07/10/2015. Michigan Film & Digital Media Office still open.</p>

State Film Production Incentives/Programs

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Minnesota	<p>The state has a program titled Snowbate, Minnesota's Film Jobs Production Program. This is a cash reimbursement of 20 percent to 25 percent of Minnesota production expenditures. The incentive is available to qualified feature films, documentaries, TV pilots, programs or series, TV commercials music videos, Internet and post production.</p> <ul style="list-style-type: none"> • To receive a 20 percent reimbursement a qualified production must spend at least \$100,000 in Minnesota. • To receive a 25 percent reimbursement a qualified production must spend \$1 million in Minnesota, or shoot a minimum of 60 percent of days outside of the metro area spending at least \$100,000 in Minnesota. <p>Also, the state offers a Commercial Sales Tax Exemptions for expenditures for TV commercial production and post-production are exempt from Minnesota sales tax. Lastly, the state has a hotel/lodging tax exemption in which all production personnel who stay in a hotel or other lodging under a lease agreement for 30 days or longer are exempt from state lodging tax.</p>
Mississippi	<p>The Mississippi Motion Picture Incentive Program provides a cash rebate on eligible expenditures and payroll and provides sales and use tax reductions on eligible rentals/purchases. This program is available for nationally distributed motion pictures, television programs, DVDs, documentaries, short films, commercials, video games, including animation and production utilizing new technology. National distribution includes theatrical, broadcast, direct to DVD/video, festival screening, streaming video, and Internet delivery.</p> <p>There is a \$50,000 minimum Mississippi investment (local spend) per project. There is a \$10 million project rebate cap. There is a \$20 million annual rebate cap. There is no minimum requirement for production days or percentage of production spend. At least 20 percent of the production crew on payroll must be Mississippi residents. Under the Mississippi Investment Rebate, a production is eligible for a 25 percent rebate on their base investment. Additionally, there is a 30 percent Resident Payroll Rebate and a 25 percent Non-Resident Payroll Rebate. A production is eligible for an additional 5 percent rebate on salaries paid to veterans. Qualifying production equipment used directly in the filming/editing of project will be taxed at a reduced rate of 1.5 percent.</p> <p>The Mississippi Department of Revenue will audit all expenditures prior to awarding the rebate.</p>
Missouri	<p>The state has no film incentive program.</p> <p>Kansas City Film Development Program created an ordinance on Feb. 17, 2016 to introduce film incentives for Kansas City, Missouri (KCMO).</p>

State Film Production Incentives/Programs

State/Jurisdiction	Film Production Incentive/Credit Program
Montana	<p>The state's tax incentive package expired on Jan. 1, 2015.</p> <p>The Big Sky Grant Program remains with a program cap of \$1 million per fiscal year. Productions are eligible for a grant allocation when in-state spend exceeds \$300,000 and shoots at least 50 percent of principal photography in Montana. There are additional allocations of up to \$50,000 for Resident Filmmaker Grants, and Development Grants to promote Montana centric content.</p> <p>The allocation amount is determined based on an evaluation of all of the project elements. The Montana Film Office will not disclose the award until principal photography is completed and a CPA review of the film budget has been completed.</p> <p>Also, there is no state sales tax and production companies staying longer than 30 days at the same hotel/motel are exempt from the 7 percent bed tax.</p>
Nebraska	<p>No film incentive program. Sales and lodging taxes are exempt for stays of 30 days or more.</p> <p>There are some Nebraska municipalities that offer local incentives for film and TV production.</p>
Nevada	<p>Effective July 1, 2015, qualifying productions that shoot at least 60 percent in-state, and spend between \$500,000 and \$40 million are eligible to receive a transferable tax credit of 15 to 25 percent on cumulative qualified production costs. Tax credit can be carried forward up to four years after the credits are issued. There is a project cap of \$6 million and a program funding cap of \$10 million. The program requires an audit before credits are awarded. Additionally, Nevada has no personal income tax.</p>
New Hampshire	<p>No film incentive program. The state has no sales, personal income, or use taxes.</p>
New Jersey	<p>No film incentive program. Certain tangible property used directly and primarily in the production of films and television programs is also exempt from New Jersey's 7 percent sales tax.</p>

State Film Production Incentives/Programs

State/Jurisdiction	Film Production Incentive/Credit Program
New Mexico	<p>Effective June 19, 2015, New Mexico offers a 25 percent tax rebate on all direct production expenditures, including New Mexico crew, that are subject to taxation by the State of New Mexico. It applies to feature films, independent films, television, regional and national commercials, documentaries, video games and post-production. There is no minimum budget or spend to participate. Non-resident actors and stunt performers will also qualify under a separate tax structure.</p> <p>An additional 5 percent credit is available for either (1) direct production expenditures for qualifying television series; or (2) standalone TV pilots when documentation is included showing the intention for the series to be produced in New Mexico upon “pick-up; or (3) payments to off-camera residents for services during production in New Mexico if a production utilizes a qualifying production facility for a minimum of 10 or 15 days of principal photography. (Days required are determined by total New Mexico budget.) New Mexico also offers the Film Crew Advancement Program, which is an incentive for production companies to help create more job opportunities for New Mexican film and television crew professionals. A production company is reimbursed 50 percent of a participant’s wages for up to 1040 hours physically worked by the qualifying crew member in a specialized craft position.</p> <p>Also, as an incentive, the state will issue a certificate which is presented at the point of sale and no gross receipts tax is charged. This incentive cannot be used in conjunction with the 25 percent tax rebate. In 2011, the legislature placed a \$50 million cap on film production credits and staggered payment schedules over two or three years.</p> <p>A tax credit of \$5 million or more requires an external audit by a CPA firm.</p>
New York	<p>The state offers a Film Production Credit of a 30 percent fully-refundable tax credit on qualified expenses while filming in the state. A 30 percent to 35 percent post production tax credit is also available, for costs incurred in Upstate NY, outside the defined Metropolitan Commuter Transportation District. For the period 2015-2019, productions with budgets over \$500,000 can receive an additional 10 percent credit on qualified labor expenses incurred in the certain New York counties. Refundable tax credits up to \$7 million per year are available for qualified commercials with added incentives for companies increasing volume of work in New York are available.</p> <p>There is also a film investment tax credit of up to 5 percent on investments in construction and upgrades to qualified film production facilities plus employment incentive tax credits for two additional years. Film production activities/expenses that are exempt from New York State sales tax. Program is capped at \$420 million per year. Of the \$420 million, there is a set-aside for the post-production credit that increased from \$7 million to \$25 million per year in 2015.</p> <p>An audit of all in-state production activities must be performed before tax incentives are awarded.</p> <p>New York City also offers commercial rent and sales tax exemptions for in-city theatrical productions.</p>

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North Carolina	<p>No film incentive program as of Jan. 1, 2015.</p> <p>However, the incentive program was replaced with a Film and Entertainment Grant Program. The Grant will serve as a rebate of up to 25 percent on qualified expenses/purchases of productions. The minimum spend is \$1,000,000 per episode for television series, \$5 million for feature-length films, and \$250,000 for commercials. The project cap is \$9 million for television series per season, \$5 million for feature-length films, and \$250,000 for commercials. The annual program cap is \$30 million per fiscal year. The Grant also offers fee-free usage of state-owned property. The Grant expires July 1, 2020. Currently, funds have only been allocated by the North Carolina General Assembly for fiscal years 2015-16 and 2016-17.</p> <p>An audit of all in-state production activities must be performed before tax incentives are awarded.</p>
North Dakota	<p>North Dakota does not have a film incentive program.</p> <p>However, film companies may qualify for an income tax exemption. The income tax exemption is available to "primary sector businesses which add value to a product, process or service which creates new wealth." This exemption requires approval by the State Board of Equalization.</p>
Ohio	<p>On Friday, July 17, 2009, the governor signed into law Ohio budget bill (HB 1) including Sec. 122.85 which creates a Film Tax Credit for Ohio. The bill provides for a refundable, non-transferable, tax credit against the corporation franchise or income tax for motion pictures produced in Ohio. The tax credit is equal to 25 percent of non-wage and nonresident wage Ohio production expenditures and 35 percent of Ohio resident wage production expenditures. The minimum spend for eligible productions is \$300,000. There is a project cap of \$5 million, and each episode of a TV series qualifies as a separate project. To earn the rebate, a production must have an audit performed. In addition, Ohio offers tax free accommodations after a 30-day consecutive stay.</p>

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Oklahoma	<p>The Oklahoma Film Enhancement Rebate offers 35 percent on Oklahoma expenditures to qualifying companies filming in the state. An additional 2 percent can be obtained by utilizing Oklahoma’s bustling music and recording scene in the production. The minimum budget for the project shall be \$50,000 with a minimum of \$25,000 spent in Oklahoma. There is no project cap but the program is capped at \$5 million per year. Film, television and commercial productions may qualify. This rebate has a sunset date of July 1, 2024.</p> <p>Also, there is the Tax Credit for Construction of Oklahoma Film & Music Facilities. The state offers state income tax credits to investors building film or music production facilities in the state.</p> <p>An audit of all in-state production activities must be performed before tax incentives are awarded.</p> <p>Lastly, there is the Point of Purchase (POP) Tax Exemption to qualified productions on sales taxes paid for property or services to be used in productions. There is no minimum budget or expenditure requirement to take advantage of this incentive. The state’s current sales tax is 4.5 percent. Local taxes, which vary from city to city and county to county, average between 3 percent and 4 percent. The POP tax exemption cannot be used in conjunction with the 35 to 37 percent rebate.</p>
Oregon	<p>The Oregon Production Investment Fund offers qualifying film or television productions a 20 percent cash rebate on production-related goods and services paid to Oregon vendors and a 10 percent cash rebate of wages paid for work done in Oregon including both Oregon and non-Oregon residents. The labor portion of this rebate can be combined with the Greenlight Oregon program for an effective labor rebate of 16.2 percent. A production must directly spend at least \$1 million in Oregon to qualify for the Greenlight Rebate. There is no per production cap. The 2009 Oregon legislature passed SB863 which created the Indigenous Oregon Production Investment Fund (i-OPIF). The i-OPIF program will provide rebates of 20 percent of goods and services and 10 percent of Oregon labor for films produced by Oregon filmmakers who spend a minimum of \$75,000, up to the first \$1 million of their spend. Also, the state has no general sales and use tax and lodging taxes are waived for rooms held longer than 30 days.</p>

State Film Production Incentives/Programs

State/Jurisdiction	Film Production Incentive/Credit Program
Pennsylvania	<p>The state offers a 25 percent tax credit to films that spend at least 60 percent of their total production budget in the commonwealth. Eligible projects include: feature films, TV films, TV talk or game show series, TV commercials, and TV pilots or episodes. The production may be eligible for an additional 5 percent credit if the production is intended for a national audience, that meets the minimum stage filming requirements and the taxpayer films the eligible project in a qualified production facility. Additionally, film cast and crew staying 30 or more consecutive days in a Pennsylvania hotel are not obligated to pay the Pennsylvania hotel tax. Pennsylvania departments and agencies also provide access to state owned property at no cost (other than costs incurred by the agency or department) for the making of commercial motion pictures.</p> <p>For productions with expenses less than \$30 million, a minimum of \$1.5 million in direct expenditure must be made to qualify. For productions with expenses greater than \$30 million, a minimum of \$5 million must be spent to qualify.</p> <p>Requires a Project Audit for projects in receipt of a film tax credit \$100,000 or greater, or Report on Agreed Upon Procedures for projects with a film tax credit less than \$100,000. This program is capped at \$60 million per year.</p>
Puerto Rico	<p>Puerto Rico has a transferrable tax credit equivalent to 40 percent of budget items paid to Puerto Rico entity or resident. There is also a 20 percent tax credit on nonresident qualified spending. There is a \$100,000 minimum spend for qualifying projects. An audit report is required before any incentives can be awarded. Persons engaged in qualifying projects are eligible for the following preferential tax rates or exemptions including: a fixed income tax rate of between 4 and 10 percent, exemption on dividend taxes, 90 percent exemption from municipal and state taxes on property, and exemption from municipal license taxes, excise taxes and other municipal taxes.</p> <p>No project cap or cap on credits for payments to nonresident qualified spending. The annual cap on credits for payments to Puerto Rico resident companies and individuals is \$50 million (which may be expanded up to \$350 million if incurred partially in a Film Development Zone).</p>
Rhode Island	<p>The Motion Picture Production Tax Credit provides a 25 percent transferrable tax credit for costs incurred directly attributable to activity within the state. It also includes salaries for people working on the ground in the state. To qualify, a minimum of \$100,000 must be spent, and at least 51 percent of shooting must take place in Rhode Island. There is a \$15 million annual cap on the program and a \$5 million project cap, which may be waived for qualifying motion picture and TV productions.</p> <p>An audit of all in-state production activities must be performed before tax incentives are awarded.</p>

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State/Jurisdiction	Film Production Incentive/Credit Program
South Carolina	<p>Productions that film in South Carolina can receive up to a 25 percent cash rebate on in-state employee wages. Out-of-state performing artists (including stunt performers) are eligible for a 20 percent cash rebate. Additionally, the state offers up to a 30 percent cash rebate on in-state supplier expenditures if at least \$1 million is spent in the state.</p> <p>The 20 percent wage rebate applies to any employee of the production whose wages are subject to the withholding tax and earns less than \$1 million. The 30 percent supplier rebate applies to all goods and services acquired from a South Carolina supplier. An audit is required before tax incentives are awarded. The state of South Carolina provides an auditor at no charge to the production.</p> <p>There is an annual cap on the amount of rebate funds available per year. Generally, there is a minimum of \$15 million available in rebate funds per fiscal year.</p> <p>In addition, all productions spending over \$250,000 in the state are exempt from sales and accommodations taxes and all film productions are eligible to use state properties location fee-free.</p>
South Dakota	No film incentive program. There is no corporate or personal income tax in South Dakota.
Tennessee	<p>Tennessee offers a 25 percent cash rebate in the form of a grant for qualifying Tennessee labor and vendor expenditures, which includes music. The minimum qualified spend to become eligible for this rebate is \$200,000. An audit of all in-state production activities must be performed before tax incentives are awarded.</p> <p>There is no project cap. An audit of all in-state production activities must be performed before rebate is awarded.</p> <p>Additionally, hotel guests in Tennessee are eligible for a rebate of the Hotel Occupancy Tax after 30 continuous days. After 90 days, the guest will no longer be charged the Occupancy Sales tax and will receive a rebate for all previously paid Occupancy Sales tax. There is no state income tax on wages. State owned buildings and land are also available for free use.</p>

State Film Production Incentives/Programs

State/Jurisdiction	Film Production Incentive/Credit Program
Texas	<p>The Texas Moving Image Industry Incentive Program offers qualifying feature films, television programs, commercials, video games and stand-alone post-production/finishing projects the opportunity to receive a payment of 5 to 20 percent of eligible Texas spending upon completion of a review of their Texas expenditures. An additional 2.5 percent payment may be available for locating a project in an underutilized or economically distressed area. In order to qualify 70 percent of paid crew and 70 percent of paid cast members, including extras, must be Texas residents. In addition, 60 percent of total production days must be completed in Texas.</p> <p>Program funding is appropriated every two years and is capped at \$32 million for the 2016-2017 fiscal years.</p> <p>The state also offers upfront sales tax exemptions on most items rented or purchased for direct use in production; Refunds of the 6 percent state occupancy tax on hotel rooms occupied for more than 30 consecutive days; and Refunds on fuel tax paid on fuel used off-road. A CPA audit is required for all projects expecting to receive a grant of \$300,000 or more.</p>
Utah	<p>The state offers a Motion Picture Incentive Program. This is a post-performance rebate of production dollars spent in the state of Utah. An approved production will be rebated 20 percent to 25 percent on every dollar spent in the state of Utah. A production must spend a minimum of \$200,000 in the state to qualify for a 20 percent tax credit, and \$1 million in the state to qualify for a 25 percent tax credit. An audit of all in-state production activities must be performed before tax incentives are awarded. The state allocates \$6.79 million per year to the program.</p> <p>Additionally, the state offers a tax exemption that allows film, television and video productions to take a sales tax exemption at the point of sale on machinery and equipment. Also, there is an exemption from the transient room tax. Accommodation charges for stays of 30 consecutive days or longer are exempt from sales and use tax and all sales-related taxes.</p>
Vermont	<p>No major film incentive program. Vermont offers the following incentives: a hotel tax exemption, sales and use tax exemption for direct production expenses and income tax for performers limited to the amount performers would pay in their home states. Vermont also offers a guaranteed loan incentive for eligible projects.</p>

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Virginia	<p>In 2006 the General Assembly approved an appropriation to the Governor's Motion Picture Opportunity Fund. This performance-based incentive provides a cash rebate at the governor's discretion, taking into consideration length of filming, job creation, trainees hired and goods and services purchased. There is no required minimum spend for the grant fund. In 2014, the annual grant was reduced to \$2.4 million per year.</p> <p>Beginning in 2011, the state also offers Motion Picture Production Tax Credits. The base credit available is 15 percent of all qualifying expenses (including wages), with a bonus of 5 percent if the production is filmed in an economically distressed area of the commonwealth, making the total base credit available up to 20 percent of qualifying expenses. The production company is allowed an additional credit of 10 to 20 percent of aggregate payroll for Virginia residents employed in connection with the motion picture production.</p> <p>For companies that spend at least \$250,000 in total production costs in the commonwealth, but not more than \$1 million, the credit will equal 10 percent of the total Virginia resident aggregate payroll. For companies that spend over \$1 million in total production costs in the commonwealth, the credit will equal 20 percent of the total aggregate Virginia resident payroll. In addition to the above outlined credits, companies may claim a credit of 10 percent of their total aggregate payroll for Virginia residents who are employed as first time actors or first time members of a production crew in connection with a production in Virginia. Additionally, there are state sales and use tax exemptions and state and local lodging tax exemptions.</p> <p>In 2014, the annual program cap was increased from \$2.5 million to \$6.5 million. Additionally, a Jan. 1, 2019 sunset date was imposed for the credit program.</p>
Washington	<p>Washington Filmworks offers funding assistance of up to 30 percent of total in-state qualified expenditures (including labor and talent who are state residents) for film production and episodic series with less than six episodes, and up to 35 percent for episodic series with at least six episodes.</p> <p>This program also offers funding assistance for qualified in-state expenditures of up to 15 percent for commercials. Commercial applicants who have not worked in Washington state previously and who are using a Washington-based production company are eligible for a one-time return of 25 percent. To qualify for these incentives, motion picture projects must spend at least \$500,000 in-state, episodic series must spend \$300,000 and commercial projects must spend \$150,000.</p> <p>The Board of Directors of Washington Filmworks may allocate up to \$350,000 annually to support Washington resident filmmakers and filmmakers using new forms of production and emerging technologies. This funding is allocated through the Filmworks Innovation Lab to projects that meet the qualifying criteria.</p> <p>The state also provides exemptions for sales and use taxes, and hotel/lodging taxes. The program is capped at \$3.5 million per calendar year.</p>

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West Virginia	<p>The state has transferable tax credits of up to 31 percent of qualified in-state spend (27 percent base plus 4 percent if 10 or more West Virginia residents are hired full time). The program is funded at \$5 million annually and there are project caps. Productions must spend a minimum of \$25,000. Eligible projects include feature length films, TV films and series, commercials, music videos, and commercial still photography.</p> <p>Additionally, purchases and rentals of tangible personal property directly used in an "Entertainment Production Project" and purchases in West Virginia of services directly used in an "Entertainment Production Project" are exempt from the 6 percent (consumer's sales and service tax. Also, there is a lodging tax exemption from the state consumers sales and service tax (6 percent) and exemption from the local hotel/motel tax (varies per region) on lodging stays in excess of 30 consecutive days per person at the same facility.</p>
Wisconsin	No film incentive program.
Wyoming	<p>The Film Industry Financial Incentive program is a cash rebate program for production companies of up to 15 percent on dollars spent in the State of Wyoming during a film shoot. The production company would have to spend a minimum amount of \$200,000 to qualify and then meet additional criteria to determine the rebate percentage between 12 percent and 15 percent.</p> <p>Program funding requested annually. In 2015, \$3.8 million was appropriated to film incentive program.</p>

Source: State film office and commission websites. Check each states program for further details, requirements and eligibility.