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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 policymakers took matters into their own hands to compete for film industry business.

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 states, Puerto Rico and Washington D.C., offered some form of film and television production incentives. However, the popularity of these programs has waned, and support for the film industry has decreased in recent years. In 2018, only 31 states, Washington D.C., Puerto Rico and the U.S. Virgin Islands 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, 13 states have ended their film incentive programs. Most recently, Wyoming and West Virginia eliminated film incentive programs. Wyoming allowed its program to expire, and a bill to reinstate it failed during the 2017 legislative session. On Jan. 29, 2018, West Virginia's governor signed a bill passed by the Legislature to eliminate the states' film tax credits. This action followed a January 2018 report released by the states' legislative auditor that cited the credits' minimal economic benefit to the state.

These actions mark a larger trend of states re-evaluating or paring back film incentive programs. In fiscal year (FY) 2018, Colorado, Maryland and Texas reduced the annual appropriation available for film incentive programs. Oklahoma reduced its annual program cap from \$5 million to \$4 million. Most notably, Louisiana, the pioneer of state film incentives, introduced a \$150 million cap on the amount of credits that can be issued each year. This change was enacted due to increasing budgetary pressures in the state and the uncertainty uncapped film credits can create in budgeting.

While most states maintained the status quo, or reduced film incentives, a few states made slight augmentations to their programs. North Carolina, which switched from a tax credit to a grant program in 2015, increased its annual program cap to \$34 million for FY 2018 and eliminated the program's July 1, 2020 sunset date. Additionally, Utah and Virginia made small increases to the annual funds available for film incentives.

Going forward, the same trends of evaluating and reining in uncapped programs are likely to continue. Film incentives remain a driving factor in determining where a film is ultimately produced. Producers note that scripts will be modified to reflect the scenery if a state offers a particularly generous incentive. However, state legislators are seeking to balance these industry facts with the forgone revenues and unclear economic outcomes that state film incentive programs produce.

The following outlines state film incentive programs.

## State Film Production Incentives/Programs

State/Jurisdiction	Film Production Incentive/Credit Program
<a href="#">Alabama</a>	<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>
<a href="#">Alaska</a>	<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>
<a href="#">Arizona</a>	<p>No film incentive program. The state allows the private sector to support the film and digital media industry through their “Reel Savings” program. This program allows vendors to provide discounts to out-of-state productions registered with the Arizona Office of Film &amp; Digital Media.</p>
<a href="#">Arkansas</a>	<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
<a href="#">California</a>	<p>The California Film &amp; 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>There is a 5 percent credit uplift available for projects eligible for a 20 percent tax credit that have expenditures relating to: out-of-zone filming, music scoring and track recording, or visual effects.</p> <p>The maximum credit a production can earn is 25 percent. 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>

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<a href="#">Colorado</a>	<p>The Colorado Film Incentive program offers a 10 percent to 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 is a loan guarantee program in which the state guarantees up to 20 percent of a production budget. This program is only available for 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 and 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 2017-2018, the program was funded at \$1.25 million.</p> <p>An audit of all in-state production activities must be performed before tax incentives are awarded.</p>
<a href="#">Connecticut</a>	<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. Starting Jan. 1, 2010, compensation for all star-talent featured in a film or digital media production in excess of \$20 million in the aggregate, does not qualify as a production expense and requires that the compensation be subject to Connecticut personal income tax.</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>
Delaware	No film incentive program. However, the state does not levy a sales tax.

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<a href="#">District of Columbia</a>	<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>
<a href="#">Florida</a>	<p>This program sunset on June 30, 2016. It has not been renewed.</p> <p>The state does not levy a state income tax. The state provides a sales &amp; use tax exemption for qualified productions on certain production related purchases made in Florida.</p>
<a href="#">Georgia</a>	<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.</p> <p>The state also offers a sales &amp; 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. The program has no sunset date.</p>

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<a href="#">Hawaii</a>	<p>Hawaii offers a Motion Picture, Digital Media &amp; 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). There is a minimum in-state spending requirement of at least \$200,000. 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.</p> <p>The per production cap is \$15 million. The annual program cap is \$35 million. However, if the total amount of credits applied for in any particular year exceeds the annual program cap, the excess shall be treated as having been applied for the subsequent year and shall be claimed in such year; provided no excess is allowed to be claimed after Dec. 31, 2025. The program is set to sunset on Jan. 1, 2026.</p>
<a href="#">Idaho</a>	<p>Program is not currently funded. Most cities do not require film permits.</p>
<a href="#">Illinois</a>	<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"> <li>• 30 percent of the qualified Illinois Production Spending.</li> <li>• 30 percent credit on Illinois salaries up to \$100,000 per worker.</li> <li>• Tax credit can be carried forward five years from when originally issued by Illinois Film Office.</li> <li>• Applicants will receive an additional 15 percent tax credit on salaries of individuals that live in an economically disadvantaged area. Areas with an unemployment rate at least 150 percent of the state’s annual average.</li> <li>• Illinois includes a diversity provision as part of the application for the accredited production certificate.</li> </ul> <p>An audit of all in-state production activities must be performed before tax incentives are awarded.</p>
<a href="#">Indiana</a>	<p>No film incentive program. Accommodation stays of thirty (30) days or more may be exempt from the County Innkeeper's Tax.</p>
<a href="#">Iowa</a>	<p>No film incentive program. However, in 2013, Iowa reestablished a film office, “Produce Iowa.”</p>
Kansas	<p>No film incentive program.</p>

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<a href="#">Kentucky</a>	<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, 35 percent incentive for Kentucky resident labor and 30 percent of non-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 sales and use tax exemption and a hotel tax exemption for qualified productions and certain production related purchases made in Kentucky.</p>
<a href="#">Louisiana</a>	<p>Louisiana revised its film incentive program as of June 30, 2017, making a number of changes.</p> <p>The state provides up to a 40 percent tax credit (25 percent base credit; 10 percent increase for Louisiana screenplay productions, 5 percent increase if outside of the New Orleans Metro Statistical Area).</p> <ul style="list-style-type: none"> <li>• There is a \$50,000 minimum in-state expenditure requirement for Louisiana screenplay productions, and a \$300,000 minimum in-state expenditure requirement for all other eligible productions.</li> <li>• The maximum amount of credits that can be issued is \$150 million per fiscal year.</li> <li>• The maximum amount of credits that can be claimed is \$180 million per fiscal year. These are credits that were previously issued and are now being claimed on a production's tax return.</li> <li>• Tax credits may be used to offset personal or corporate income tax liability in Louisiana.</li> <li>• Tax credits may be transferred back to the state for 90 percent of face value (although a 2 percent transfer fee results in an 88 percent net).</li> </ul> <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>



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<a href="#">Maine</a>	<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-transferrable, non-refundable tax credit on non-wage production expenses. The minimum qualified spend is \$75,000.</p> <p>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>
<a href="#">Maryland</a>	<p>A film production entity may receive a refundable income tax credit of up to 25 percent of qualified direct costs for a 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. Funding for the program is subject to an annual appropriation by the state legislature. The incentive program was funded at \$5 million for fiscal year 2018.</p>
<a href="#">Massachusetts</a>	<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. Unused credits can be cashed out with the Commonwealth of Massachusetts at 90 percent of face value after satisfying tax liabilities, or can be transferred at the market rate.</p>
<a href="#">Michigan</a>	<p>No longer offers Incentive Program as of July 10, 2015. The Michigan Film &amp; Digital Media Office is still open.</p>

## State Film Production Incentives/Programs

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<a href="#">Minnesota</a>	<p>The state has a program titled Snowbate, Minnesota's Film Jobs Production Program. This is a cash reimbursement of 20 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"> <li>• To receive a 20 percent reimbursement a qualified production must spend at least \$100,000 in Minnesota.</li> <li>• 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.</li> </ul> <p>Also, the state offers a commercial sales tax exemption 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>
<a href="#">Mississippi</a>	<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>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. 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.</p> <p>The Mississippi Department of Revenue will audit all expenditures prior to awarding the rebate.</p>
<a href="#">Missouri</a>	<p>The state has no film incentive program.</p> <p>Kansas City Film Development Program created a Local Film Rebate Incentive of up to 10 percent for qualified productions. There is no per-project cap, and projects are considered on a first come, first serve basis as funds are available.</p>

## State Film Production Incentives/Programs

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<a href="#">Montana</a>	<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>
<a href="#">Nebraska</a>	<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>
<a href="#">Nevada</a>	<p>Effective July 1, 2017, qualifying productions that spend 60 percent in-state, and spend at least \$500,000 are eligible to receive a transferable tax credit of up 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>
<a href="#">New Hampshire</a>	<p>No film incentive program. The state has no sales and use, or broad base personal income taxes.</p>
<a href="#">New Jersey</a>	<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

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<a href="#">New Mexico</a>	<p>New Mexico offers a 25 percent refundable tax credit on all direct production expenditures, 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 services rendered in New Mexico. 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.</p> <p>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 1,040 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>

## State Film Production Incentives/Programs

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<a href="#">New York</a>	<p>The state offers a Film Production Credit of a 30 percent fully-refundable tax credit on qualified production and post-production costs while filming in the state. For the period through 2022, production budgets over \$500,000 can receive an additional 10 percent credit for qualified labor expenses incurred in certain New York counties outside of the NYC metro district. This additional 10 percent credit is capped at \$5 million per year. Feature films and television series that film a substantial portion of their project in the state are eligible for credits. The program is capped at \$420 per year.</p> <p>Of the \$420 million in refundable tax credits allocated to the program, \$25 million is set aside for post-production projects. A 30 percent post production tax credit is available, and an additional five percent is available for costs incurred in Upstate NY, outside the NYC metro district. For the period 2015-2022, productions with budgets over \$500,000 can receive an additional 10 percent credit on qualified labor expenses incurred in the certain New York counties.</p> <p>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 five 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.</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>
<a href="#">North Carolina</a>	<p>No film incentive program as of Jan. 1, 2015.</p> <p>The incentive program was replaced with the North Carolina 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 expenditure to qualify 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.</p> <p>The legislature designated \$34 million in film incentives available as of July 1, 2017, and \$31 million for the 2018-2019 fiscal year. This funding was designated as recurring, and the program's sunset date was eliminated.</p> <p>An audit of all in-state production activities must be performed before tax incentives are awarded.</p>

## State Film Production Incentives/Programs

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<a href="#">North Dakota</a>	<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>
<a href="#">Ohio</a>	<p>Ohio maintains a 30 percent refundable, transferable tax credit on production cast and crew wages, plus other eligible in-state spending. To be eligible, productions must spend a minimum of \$300,000 per project in the state of Ohio. There are \$40 million in credits available each fiscal year. Tax credits not used in the prior fiscal year will roll over into credits available for the following fiscal year.</p> <p>In order to receive tax credit, an applicant must pay a non-refundable application fee in an amount equal to one percent of the estimated value of the credit, up to a maximum of \$10,000.</p> <p>An independent audit of all in-state production activities must be performed before tax incentives are awarded.</p>
<a href="#">Oklahoma</a>	<p>The Oklahoma Film Enhancement Rebate Program offers a cash rebate of 35 percent of expenditures to qualifying companies filming in the state. An additional 2 percent can be obtained if a minimum of \$20,000 is spent on music that has been recorded in Oklahoma by an Oklahoman, or on Oklahoma music production costs, for a maximum credit of 37 percent. The minimum budget for the project is \$50,000, with a minimum of \$25,000 spent in Oklahoma. There is no project cap but the program is capped at \$4 million per year. Film, television and commercial productions may qualify. This rebate has a sunset date of July 1, 2024.</p> <p>The state also offers state income tax credits to investors building film or music production facilities in the state through its Tax Credit for Construction of Oklahoma Film &amp; Music Facilities.</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 for 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> <p>An independent audit of the rebate claim is required for all pre-qualified projects.</p>

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<a href="#">Oregon</a>	<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.</p> <p>Additionally, Oregon has a rebate strictly for local filmmakers. The Indigenous Oregon Production Investment Fund (i-OPIF) provides 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. Effective July 1, 2017, there are additional incentives available from the OPIF program for productions that do one or more production days outside of the Portland Metro Area.</p> <p>The state has no general sales and use tax and lodging taxes are waived for rooms held longer than 30 days.</p>
<a href="#">Pennsylvania</a>	<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.</p> <p>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>

## State Film Production Incentives/Programs

State/Jurisdiction	Film Production Incentive/Credit Program
<a href="#">Puerto Rico</a>	<p>Puerto Rico has a transferrable tax credit equivalent to 40 percent of budget items paid to a Puerto Rico entity or resident. There is also a 20 percent tax credit on qualified spending by nonresidents. Qualifying projects must spend a minimum of \$100,000. 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: a fixed income tax rate of between 4 percent and 10 percent; exemption from 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>There is no project cap or cap on credits for payments to nonresident for 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> <p>On July 25, 2017, resolution 2017-09 was passed, creating the Tax Concession Authorization Committee and providing new procedures to evaluate all new tax credit applications submitted on or after March 7, 2017.</p>
<a href="#">Rhode Island</a>	<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 in Rhode Island, and at least 51 percent of shooting must take place in Rhode Island.</p> <p>Documentaries that do not film principal photography in Rhode Island are eligible for up to \$5 million in tax credits, if they spend 51 percent of total production days, or 51 percent of their final production budget in Rhode Island, and employ 5 individuals within the state.</p> <p>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>



## State Film Production Incentives/Programs

State/Jurisdiction	Film Production Incentive/Credit Program
<a href="#">South Carolina</a>	<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. To be eligible, wages for each qualifying person must be less than \$1 million and must be subject to South Carolina withholding tax. 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>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> <p>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>The state also offers an Indie Grant Program to develop collaborative film projects between industry members and South Carolina institutions of higher learning.</p>
<a href="#">South Dakota</a>	<p>No film incentive program. There is no corporate or personal income tax in South Dakota.</p>
<a href="#">Tennessee</a>	<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
<a href="#">Texas</a>	<p>The Texas Moving Image Industry Incentive Program offers qualifying feature films, television programs, commercials, video games and stand-alone post-production/finishing projects a cash grant of 5 percent to 20 percent of expenditures after a review is completed. The percentage of qualified spending covered by the grant is determined by the minimum amount spent: A production spending up to \$1 million qualifies for a 5 percent cash grant, while a production spending over \$3.5 million qualifies for a 20 percent grant.</p> <p>An additional 2.5 percent payment may be available for locating a project in an underused 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; \$22 million has been appropriated for FY 2018.</p> <p>The state also offers upfront sales tax exemptions on most items rented or purchased for direct use in production. Qualifying participants may receive refunds of the 6 percent state occupancy tax on hotel rooms occupied for more than 30 consecutive days, as well as refunds on fuel tax paid for fuel used off-road. A CPA audit is required for all projects expecting to receive a grant of \$300,000 or more.</p>
<a href="#">Utah</a>	<p>The state offers a Motion Picture Incentive Program. This is a post-performance fully refundable tax credit or cash rebate of production dollars spent in the state of Utah. A 20 percent tax credit is available to productions that will spend \$500,000 to \$1 million in the state. A 20 percent or 25 percent tax credit is available to productions that spend \$1 million or more in Utah.</p> <p>A 20 percent cash rebate is available to productions that plan to spend up to \$1 million in Utah.</p> <p>An audit of all in-state production activities must be performed before tax incentives are awarded. The state allocates \$8.29 million per year to the program as of FY 2018.</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>

## State Film Production Incentives/Programs

State/Jurisdiction	Film Production Incentive/Credit Program
<a href="#">U.S. Virgin Islands</a>	<p>The S.T.A.R.S. program is a combination incentive program which includes up to a 17 percent transferable tax credit, and eligibility for an additional 29 percent cash rebate.</p> <p>The transferable tax credit is 10 percent for 20-25 percent resident hires, 15 percent for 25.1-30 percent resident hires, and 17 percent for greater than 30 percent resident hires.</p> <p>The 9 percent cash rebate is available for all qualified productions, an additional 10 percent can be awarded with a USVI promotion in the credits, and an additional 10 percent is awarded if the film is produced in St. Croix for a maximum rebate of 29 percent.</p> <p>Qualified productions include: feature films, television series, movies for television, digital release, webcasts, commercials, music videos, interactive entertainment, and sound recording projects to be used in these mediums. The minimum spend is \$250,000 and a minimum of 20 percent local resident hires is required to qualify for the incentives. “Made in USVI” must be included in the credits, and an above-the-line-crew member must speak at a local school or university.</p> <p>Finally, production companies and studios that corporately establish themselves in the USVI for purposes of long-term production, recording, distribution and/or management may be eligible for 90 percent tax relief through the Economic Development Commission.</p>
Vermont	<p>No major film incentive program. Vermont’s Office of the Creative Economy, which serves in-part as the state’s film office is unstaffed as of 2015.</p>

## State Film Production Incentives/Programs

State/Jurisdiction	Film Production Incentive/Credit Program
<a href="#">Virginia</a>	<p>The state offers two incentive programs. The Motion Picture Opportunity Fund provides grants, and the Virginia Motion Picture Tax Credit Fund provides refundable tax credits. The funds have similar eligibility requirements, with the primary difference being the refundable tax credits require a minimum expenditure of \$250,000. There is no minimum spend requirement for a grant.</p> <p>The Motion Picture Opportunity Fund provides a grant at the governor’s discretion, taking into account investment, presence of any local commitment, and industry or company growth potential in Virginia. There is no required minimum expenditure for the grant fund. For FY 2016 through FY 2018, the legislature appropriated \$3.15 million for the grant annually.</p> <p>The Virginia Motion Picture Tax Credit Fund provides a base credit of up to 15 percent of all qualifying expenses (including wages), with a bonus of 5 percent if the production is filmed in an economically distressed area, making the total base credit up to 20 percent of qualifying expenses. The production company is allowed an additional credit of 10 percent to 20 percent of aggregate payroll for Virginia residents employed in connection with the motion picture production. The size of the additional credit is dependent on the total production costs. In 2014, the annual program cap was increased from \$2.5 million to \$6.5 million for FY 2015 and thereafter. The program is currently set to sunset on Jan. 1, 2019.</p> <p>Virginia has a sales and use tax exemption for filmmakers that exempts many production purchases from the state’s sales tax. Hotel and motel stays of 90 or more consecutive days are also exempt.</p>
<a href="#">Washington</a>	<p>Washington Filmworks is a private non-profit organization that manages the state’s Motion Picture Competitiveness program. The program 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>

## State Film Production Incentives/Programs

State/Jurisdiction	Film Production Incentive/Credit Program
<a href="#">West Virginia</a>	On Jan. 29, 2018, West Virginia's governor signed a bill passed by the Legislature to eliminate the states' film tax incentive program. Effective July 1, 2018, all operations of the West Virginia Film office shall cease.
<a href="#">Wisconsin</a>	No film incentive program.
<a href="#">Wyoming</a>	The Film Industry Financial Incentive program was allowed to expire in June 2016. A bill to reinstate the program was considered during the 2017 legislative session, but failed. The FY 2017-2019 budget called for the \$282,000 in unexpended funds from the program to be used for film incentives during the biennium.

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