

Compiled Comparison of Film Tax Incentives in Louisiana, Florida, Texas and New Mexico

By Emily Patricia Graham, Esq., licensed in Florida, Louisiana and California

There are also Federal Tax Incentives, to be found in the Internal Revenue Code, Section 181, the “Domestic Film Production Incentive Program” and IRC section 199 “Domestic Production” Income Deduction.

This article is intended for illustration and general reference purposes only. It is not a complete explanation of these or any related laws and not intended as legal or tax advice.

Also, this article does not initiate an attorney-client relationship with the author.

State Law, Citation, Name and Internet Reference:	Louisiana current: Louisiana Revised Statute 47:6007 “Motion picture investor tax credit” louisianaentertainment.gov	Florida current: Revision to Fla. Stat. 288.1254 “Entertainment industry financial incentive program” amendments in SB 1752 Second Engrossed version, Effective July 1, 2010 filminflorida.com	Texas current: Title 13, Part 8, Chapter 121 “Texas Moving Image Industry Incentive Program” governor.state.tx.us/film/incentives/miiip/	New Mexico current: N. Mexico Statute Sections 7-2f-1 and 7-2f-2 “Film production tax credit” nmfilm.com proposed changes from 2011 legislature not included
Minimum budget, Minimum spend	\$300,000 Louisiana spend If you do not meet the threshold, consider slating more than one production shot in Louisiana together within one year in order to meet the minimum threshold.	1. General Production Queue: All qualified productions that demonstrate a minimum of \$625,000 in qualified expenditures. 2. Commercial and Music Video Queue: All qualified national or regional commercials and music videos with a minimum of \$100,000 in qualified expenditures per commercial/music video that exceed a combined threshold of \$500,000 during the fiscal year. 3. Independent and Emerging Media Production Queue: All qualified productions that demonstrate a minimum of \$100,000 but not more than \$625,000 in qualified expenditures.	\$250,000 Texas spend	None, none
Incentive	A 30% investor tax credit is	20% tax credit	5% to 29.25% tax credit , depending on	25% Tax Rebate on all direct

<p>percentage</p>	<p>granted based upon the total in-state expenditures of a motion picture production.</p> <p>The additional 5% per production is capped at \$1 Million per individual (only an issue if you are paying an individual Louisiana resident more than \$10 Million).</p> <p>Sound Recording and Infrastructure Investor Tax Rebate Production: A 25% refundable tax credit based on total in-state expenditures for the production of sound recordings. Infrastructure: A 25% refundable tax credit on sound recording infrastructure development.</p> <p>Digital Interactive Media Tax Credits Provides a sellable tax credit of up to 25% of the base investment in digital media production done in state, including salary of Louisiana Labor.</p> <p>Live Performance Tax Credit For eligible live productions, including theater, opera, ballet, jazz, comedy revues and variety entertainment – provide a 25% state tax credit on base investment and construction costs with an additional 10% tax credit on</p>	<p>(up from the previous 15%) on qualified expenditures.</p> <p>An additional 5% remains available to entice productions to film in Florida during the Hurricane season;</p> <p>Family friendly extra credit of 5% (up from previous 2%) Family-friendly productions.: A certified theatrical or direct-to-video motion picture production or video game determined by the Commissioner of Film and Entertainment, with the advice of the Florida Film and Entertainment Advisory Council, to be family-friendly, based on the review of the script and the review of the final release version, is eligible for an additional tax credit equal to 5 percent of its actual qualified expenditures. Family-friendly productions are those that have cross-generational appeal; would be considered suitable for viewing by children age 5 or older; are appropriate in theme, content, and language for a broad family audience; embody a responsible resolution of issues; and do not exhibit or imply any act of smoking, sex, nudity, or vulgar or profane language.</p>	<p>Qualifying expenditures, selection of Option A or B, and underutilized or distressed area</p> <p>INCENTIVES</p> <ul style="list-style-type: none"> • Qualifying projects (except reality television, contest shows, talk shows, & game shows) are eligible to receive an incentive payment of up to 15% of eligible Texas spending. • Qualifying reality television and talk show projects are eligible to receive an incentive payment equal to 5% of eligible Texas spending. <p>INCENTIVE CALCULATION OPTION (*not available to reality television or talk show projects)</p> <p>Film and Television Projects (except reality television, contest shows, talk shows, & game shows) may choose to receive an incentive payment based on either total Texas spending (including wages) or wages paid directly to Texas residents. Projects are required to choose an option when submitting an application to the program. The selected option may be changed after the application is submitted, but not after the formal incentive agreement has been signed.</p> <p>OPTION A - TOTAL TEXAS SPENDING - Projects with total Texas spending of:</p> <ul style="list-style-type: none"> • At least \$250,000 but less than \$1 million will be eligible to receive a 	<p>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. Non-resident actors and stunt performers will also qualify under a separate tax structure.</p> <p>Is it a credit or a rebate? Technically, New Mexico has a “refundable tax credit.” In other words, cash for the full amount – with no brokering required. New Mexico Taxation & Revenue literally sends you a check or deposits the amount into your bank account. It is not transferable or assignable.</p> <p>The rebate is on the full amount, not just the tax portion?</p> <p>Example: you spend \$95.00 and \$5.00 on tax for a total of \$100.00. You would receive \$25.00 back.</p> <p>Not in all cases will you be paying the tax. Example: you rent a home to be used as a location. The homeowner will not charge you tax; however, that location fee will qualify because now the homeowner must pay income tax on that amount. Remember, it’s anything that has a state tax attached.</p>
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	<p>payroll for Louisiana residents. The additional 5% per production is capped at \$1 Million per individual (only an issue if you are paying an individual Louisiana resident more than \$10 Million).</p>		<p>payment equal to 5% of eligible Texas spending.</p> <ul style="list-style-type: none">• At least \$1 million but less than \$5 million will be eligible to receive a payment equal to 10% of eligible Texas spending.• At least \$5 million will be eligible to receive a payment equal to 15% of eligible Texas spending. <p>Option A - may maximize your incentive payment, but requires extensive documentation of all eligible Texas payroll, accounts payable and petty cash expenditures that will be applied toward the incentive. Due to the volume of documentation required, payments under this option will take longer to process.</p> <p>OPTION B - WAGES PAID DIRECTLY TO TEXAS RESIDENTS - Projects with total Texas spending of:</p> <ul style="list-style-type: none">• At least \$250,000 but less than \$1 million will be eligible to receive a payment equal to 8% of wages paid directly to Texas residents.• At least \$1 million but less than \$5 million will be eligible to receive a payment equal to 17% of wages paid directly to Texas residents.• At least \$5 million will be eligible to receive a payment equal to 25% of wages paid directly to Texas residents. <p>Option B - requires expenditure documentation of eligible Texas payroll expenses only. This option can be</p>	
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processed more efficiently, leading to quicker payments.

UNDERUTILIZED OR ECONOMICALLY DISTRESSED AREAS

- Projects that complete at least 25% of their total shooting days in an underutilized or economically distressed area of Texas are eligible to have an additional amount added to their incentive payment percentage.
- Projects choosing to have their incentive amount calculated based on Option A - Total Texas Spending are eligible to receive an additional 2.5%.
- Projects choosing to have their incentive amount calculated based on Option B - Wages Paid Directly to Texas Residents are eligible to receive an additional 4.25%.
- Reality television or talk show projects are eligible to receive an additional 2.5%.

An underutilized or economically distressed area of Texas is defined as:

- a metropolitan area that receives less than 15% of total film and television production in the state during a fiscal year; or
- an area that has a median household income that does not exceed 75% of the median state household income.

<p>What expenditures qualify</p>	<p>Louisiana spends: Services will qualify if performed in Louisiana. Goods will qualify if purchased through a source in Louisiana. A source is a physical nexus with at least one full time employee. Additionally, if a good is obtained through a production services company, there must be a mark-up on the price and state sales and/or use tax charged to the production.</p> <p>Location spend includes pre-production, production, & post-production expenditures directly incurred in Louisiana that are used in a state-certified production; including without limitation expenses such as above-the-line and below-the-line expenses, equipment rental & purchases, travel, props, location fees, payroll, editing, and sound mixing.</p>	<p>Florida expenditures: wages to Florida residents and payments for Florida goods and services</p> <p>Qualified expenditures: production expenditures incurred in this state by a qualified production for:</p> <ol style="list-style-type: none"> 1. Goods purchased or leased from, or services, including, but not limited to, insurance costs and bonding, payroll services, and legal fees, which are provided by, a vendor or supplier in this state that is registered with the Department of State or the Department of Revenue, has a physical location in this state, and employs one or more legal residents of this state. When services are provided by the vendor or supplier include personal services or labor, only personal services or labor provided by residents of this state, evidenced by the required documentation of residency in this state, qualify. 2. Payments to legal residents of this state in the form of salary, wages, or other compensation up to a maximum of \$400,000 per resident unless otherwise specified in subsection (4). A completed declaration of residency in this state must accompany the documentation submitted to the office for reimbursement. For a qualified production involving an event, such as an awards show, the term does not include expenditures solely associated with the event itself and not directly 	<p>Texas Spend:</p> <p>ELIGIBLE EXPENDITURES</p> <ul style="list-style-type: none"> • Wages and per diems paid to Texas residents for work performed in Texas, including employer paid FICA, FUI, SUI, PH&W and Vac & Hol payments. Total compensation (including wages, per diems and eligible fringes) is capped at \$1 million per worker, per project. • Workers compensation insurance payments may be included only if the premiums are paid to a Texas-based company. • Payroll company service fees may be included only if paid to a Texas-based payroll company that process payroll within Texas. • Payments made to Texas companies for goods and services domiciled and used in Texas that are directly attributable to the physical production of the feature film or television program. • Payments for shipping on shipments originating in Texas. • Air travel to and from Texas on a Texas-based airline, including American Airlines, Continental Airlines and Southwest Airlines, or on a Texas-based air charter service. • Rentals, leases and purchases of vehicles registered and licensed in the State of Texas. • Music that is specifically created for the project and fees paid to Texas residents hired to create, orchestrate and perform the music. • Legal fees that are directly attributable 	<p>Wages or salaries, fringe benefits or fees for talent, management, and labor to a person who is a New Mexico resident for purposes of the Income Tax Act.</p> <p>Post-production expenditures that are directly attributable to the production of a commercial film or audiovisual product, for services performed in New Mexico; and subject to taxation by the State of New Mexico.</p> <p>“direct production expenditures” (meaning a transaction that is subject to taxation in New Mexico) provided by a New Mexico vendor.</p> <p>As applied to direct production expenditures for the services of performing artists, the film production tax credit authorized by this section shall not exceed five million dollars (\$5,000,000) for services rendered by all performing artists in a production for which the film production tax credit is claimed, meaning collectively, actors’ salaries, including tax, up to \$20 million are eligible.</p>
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	<p>required by the production. The term does not include expenditures incurred before certification, with the exception of those incurred for a commercial, a music video, or the pickup of additional episodes of a high-impact television series within a single season. Under no circumstances may the qualified production include in the calculation for qualified expenditures the original purchase price for equipment or other tangible property that is later sold or transferred by the qualified production for consideration. In such cases, the qualified expenditure is the net of the original purchase price minus the consideration received upon sale or transfer.</p> <p>Qualified production means a production in this state meeting the requirements of this section.</p> <p>The term does not include a production: In which, for the first 2 years of the incentive program, less than 50 percent, and thereafter, less than 60 percent, of the positions that make up its production cast and below-the-line production crew, or, in the case of digital media projects, less than 75 percent of such positions, are filled by legal residents of this state, or That is deemed by the Office of Film and Entertainment to contain obscene content as defined in s. 847.001(10).</p>	<p>to the production and are paid to a Texas-based lawyer or law firm.</p> <p>INELIGIBLE EXPENDITURES</p> <ul style="list-style-type: none"> • Wages and fringes paid to non-Texas residents. • Per diems paid to non-Texas residents. • Payments for goods and services not directly attributable to the physical production of the feature film or television program including, but not limited to, entertainment expenses, gifts and party expenses. • Fees for story rights, music rights or clearance rights. • Expenses related to distribution, publicity, marketing or promotion of the project. • Rental, lease or mortgage payments, to include utilities and insurance, on facilities that are part of a permanent/continuous business operation. • Payments made to pass-through companies. • Payments for shipping on shipments that originate outside of Texas. • Alcohol and tobacco purchases. • Tips and gratuities. <p>PROGRAM QUALIFICATIONS</p> <ul style="list-style-type: none"> • Minimum eligible Texas spending of \$250,000 (for episodic television series, \$250,000 per season). • At least 60% of shooting days must be completed in Texas. • At least 70% of the total number of paid 	
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Does local spend include bond fees and per diem?	<p>Bond Fees? Yes, as long as it is purchased from a Louisiana company.</p> <p>Per diems? Yes.</p>	Yes for both, as long as for a Florida resident/company.	Yes for both, as long as for a Texas resident/company	Yes, if purchased through a New Mexico-based insurance agent Per diems? Yes.
Applies to all productions (big budget and indie, regional and national?)	<p>Yes, the immediate write-off provision now applies to the first \$15 million (or \$20 million in low income or distressed areas) of costs for all productions regardless of the aggregate cost of the project.</p> <p>Must have national distribution plan.</p>	<p>Yes, with restricted percentages on per year credits and different queues. See above caps on state wide credits per year.</p> <p>Must have national distribution.</p> <p>"Production" means a theatrical or direct-to-video motion picture; a made-for-television motion picture; a commercial; a music video; an industrial or educational film; an infomercial; a documentary film; a television pilot program; a presentation for a television pilot program; a television series, including, but not limited to, a drama, a reality show, a comedy, a soap opera, a telenovela, a game show, or a miniseries production; or a digital media project by the entertainment industry. One season of a television series is considered one</p>	<p>To the Following Film and TV Projects:</p> <ul style="list-style-type: none"> Feature Films Documentaries Episodic Television Series Television Episodes Television Movies Miniseries Reality Television Interstitial Television Programming Nationally Syndicated Talk Show <p>INELIGIBLE PROJECTS</p> <p>The following types of projects are not eligible to receive funds from this program:</p> <ul style="list-style-type: none"> obscene material, as defined by Section 43.21, Texas Penal Code; 	<p>Must answer yes to these three questions:</p> <ol style="list-style-type: none"> Are you a film production company? Definition of "Film Production Company": a person that produces one or more films or any part of a film. Is your production intended for exhibition? Is your production intended for reasonable commercial exploitation? <p>Script must not be obscene.</p> <p>Other requirements.</p> <p>The following types of productions</p>

		<p>production.</p> <p>The term does not include a weather or market program; a sporting event; a sports show; a gala; a production that solicits funds; a home shopping program; a political program; a political documentary; political advertising; a gambling-related project or production; a concert production; or a local, regional, or Internet-distributed-only news show, current-events show, pornographic production, or current-affairs show. A production may be produced on or by film, tape, or otherwise by means of a motion picture camera; electronic camera or device; tape device; computer; any combination of the foregoing; or any other means, method, or device now used or later adopted.</p>	<ul style="list-style-type: none"> • news, current event or public access programming; or programs that include weather or market reports; • sporting events or activities; • awards shows, galas or telethons; or • projects intended for undergraduate or graduate course credit. <p>The State of Texas is also not required to make payments to projects that include inappropriate content or content that portrays Texas or Texans in a negative fashion.</p> <p>Different percentages and requirements for:</p> <p>Commercials,</p> <p>Video Game Projects, and</p> <p>Post Production/Finishing Projects.</p>	<p>will qualify as long as you answered YES to the three (3) questions above:</p> <p>Feature films</p> <p>Independent films</p> <p>Television (MOW, pilots, series, reality)</p> <p>Documentaries</p> <p>Student films</p> <p>Short films</p> <p>Animation</p> <p>Video games (make sure you are an “approved film production company”)</p> <p>Music videos (make sure the music video is intended for reasonable commercial exploitation)</p> <p>Regional and national commercials (proof of national or regional broadcast required) also qualify</p> <p>Stand-alone post production will also qualify</p>
Local spend includes finance fees?	Yes, as long as purchasers are from a Louisiana based company	Yes, from Florida company.	<p>Not specified, may fall under:</p> <p>Payments made to Texas companies for goods and services domiciled and used in Texas that are directly attributable to the physical production of the moving image project. In the case of video games and animated projects, the amount attributed to pre-production and research and development costs will be limited to an amount not to exceed 30% of the project's overall in-state spending.</p>	Yes, as reasonable and customary in the industry and from New Mexico companies.
Local spend include foreigners working in	The 30% credit includes the entire spend on payroll (above and below the line) regardless of where the cast or crew are	No, must meet definition of a Florida resident.	<p>No, must be a Texas resident.</p> <p>RESIDENCY VERIFICATION</p>	No, must be a resident as defined under Section 7-2-2(S) NMSA 1978 of the Income Tax act.

state?	<p>domiciled. To earn an additional 5% on local hire payroll, that labor must be a resident of Louisiana (which is defined as a person with permanent residence in Louisiana for at least six months of the year).</p>		<p>All crew members, cast members or permanent employees who receive any payment for working in Texas must be included in the total crew and cast counts and listed on the crew and cast lists of a project. Proof of residency for all Texas residents working on a project must be properly documented in order to meet the 70% residency requirement for crew and cast, and to apply payments made to Texas residents toward the incentive.</p> <p>As proof of residency, each Texas resident crew member, cast member (including extras and stand-ins) or permanent employee must complete a Declaration of Texas Residency Form.</p> <p>To be considered a Texas resident for the purposes of the incentive, a person must be permanently domiciled in Texas for at least 120 days prior to the first day of principal photography and be able to complete sections I, II and III of the Declaration of Texas Residency Form. Section III must be completed with one of the following documents:</p> <ul style="list-style-type: none"> • A current Texas driver license or ID card. • A current Texas voter registration. • A current student ID card from a Texas Institution of Higher Education (full-time college students only). 	<p>Non-resident crew qualify? No. However, their housing and per diem will.</p> <p>Does the rebate apply to non-resident ATL (above-the-line)? Only actors and stunt performers – “performing artists.”</p> <p>What about other non-resident ATL such as directors or producers? No, just actors and stunt performers.</p> <p>What about New Mexican ATL (above-the-line)? Yes, all ATL (above-the-line) New Mexico residents will qualify.</p>
Loan outs?	Yes.	Not specified., no for non-resident actor.	No. No for non-residents.	<p>Non-resident actor “super loan-out” :</p> <p>In order for non-resident performing artists/actors (cast & stunt performers</p>

				<p>only) to qualify, two things must happen:</p> <p>1) A transaction with a New Mexico entity must occur, triggering a New Mexico tax, a requirement in order for the expenditure to qualify. In other words, a Gross Receipts Tax (GRT) must be paid on all qualifying non-resident cast.</p> <p>2) The non-resident actors must agree to file a New Mexico personal income tax return in order for their salaries to qualify.</p> <p>Here are four (4) ways to do this:</p> <p>Create a “super loan-out,” a secondary company, in a state other than New Mexico. Register this “super loan-out” to do business in New Mexico and run all of the non-resident cast salaries (salaries only, no fringes) through this entity. New Mexico requires that the “super loan-out” pay a 5% gross receipts tax on these salaries; however this 5% is rebateable, so you would have a net profit of 21.25%. See example below. The non-resident actor loan-outs do NOT have to register their loan-outs to do biz in New Mexico.</p> <p>Many payroll companies can facilitate the “super loan-out” through their non-New Mexico offices</p> <p>You can use an existing New Mexico company as the “super loan-out,”</p>
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				bypassing the need to create a new company. However, you would then be subject to a higher GRT rate, currently 6.750% in Albuquerque or 7.9375% in Santa Fe.
Fringes Qualify?	Yes.	Yes.	Yes, certain ones for Texas residents. See Above Eligible Expenditures.	Employee fringe benefits paid to a payroll company qualify for the tax rebate, including Pension, Health & Welfare, Holiday, Vacation. The following does not : SUI, FICA, FUI and Workers Compensation fee. Workers Compensation Insurance will qualify only if purchased through a New Mexico based agent. Fringes for non-resident crew members will not qualify.
Insurance premiums	In order for Insurance premiums to qualify as an expenditure for the purposes of earning Louisiana Motion Picture Production tax credits, the insurance company must have a physical office in Louisiana, be duly licensed to write insurance in Louisiana and any premiums collected must be subject to the Louisiana insurance premium tax. Only the amounts collected and subject to Louisiana taxes will qualify.	Yes, if purchased through a Florida-based insurance agent.	Yes, certain ones for Texas residents and companies. See Above Eligible Expenditures.	Yes, if purchased through a New Mexico-based insurance agent
Fuel credits	Fuel purchases made in Louisiana will be eligible for tax credits, subject to a reduction of 0.20 cents per gallon for payment of state sales tax which is a non-qualifying expenditure under Act 478. For example, if a production purchases 100 gallons of gas @ \$2.50 per	Not specifically, but yes for travel expenses.	Not specified (in this Chapter), but there are credits for certain vehicle and Texas airline expenditures. See Above Eligible Expenditures. See Also: Tax Refunds on Fuels Used Off Road	Fuel cards and P-cards will need backup/detail (especially location for fuel cards) of transaction.

	gallon for a total of \$250.00, it must deduct \$20 (100 gallons x 0.20 cpg), leaving a net amount of \$230 eligible for tax credits.		<p>You may receive a refund of taxes paid on gasoline used in generators, boats, or in unlicensed vehicles such as tractors. Original invoices must be presented when claiming fuel tax refunds. Taxpayers have one year from the date of purchase to claim a refund. To make a claim, complete the Texas Claim for Refund of Gasoline Fuel Taxes Form and follow the submission instructions.</p> <p>You may also receive permission to purchase tax exempt dyed diesel fuel for use off the road by completing the Texas Dyed Diesel Fuel Registration Form.</p>	
Required affidavit and/or public notice for creditor claims?	<p>D(2)a. Prior to any final certification of a state-certified production or infrastructure project, the motion picture production company or infrastructure project applicant shall submit to the office a notarized statement demonstrating conformity with, and agreeing to, the following:</p> <p>c. To pay all undisputed legal obligations the film production company has incurred in Louisiana.</p> <p>(ii) To publish, at completion of principal photography, a notice at least once a week for three consecutive weeks in local newspapers in regions where filming has taken place in order to notify the public of the need to file creditor claims against the film production company by a specified date.</p> <p>(iii) That the outstanding</p>	No.	No.	<p>During Application, after production and in compliance with the Production Tax Credit Agreement, please provide proof of the following:</p> <p>(Stand-alone post-production submissions are excluded from this requirement.)</p> <p>“Production shall agree to publish, at completion of principal photography, a notice at least once a week, for three consecutive weeks, in local newspapers in regions where filming has taken place to notify the public of the need to file creditor claims against the film production company by a specified date.”</p> <p>Ads can be of any size. Include production title, address phone, fax, and/or contact name(s) for your primary or corporate office – not your New Mexico production office, as vendors need to be able to contact you</p>

	<p>obligations are not waived should a creditor fail to file by the specified date.</p> <p>(iv) To delay filing a claim for the film production tax credit until the office delivers written notification to the secretary of the Department of Revenue that the film production company has fulfilled all requirements for the credit.</p>			<p>after you have closed your NM office. Submit to special person at the NM Film Office.</p> <p>This information will also be posted on the web site of the NMFO until all financial obligations have been met.</p>
Audits	<p>The audit must be performed according to our guidelines. In addition to your request, we'll also need the following:</p> <p>full bible run(s) – any and all data detailing expenditures (in-state and out-of-state) related to the production</p> <p>full employment data – any and all data related to payroll associated with the production</p> <p>additional data may be requested after the office's review of the data.</p> <p>The office will make inquiries in regards to the audit. If all questions are answered satisfactorily, the request will go to Louisiana Economic Development's legal department for the secretary's approval and signature. Once signed, the certification letter is issued and the credits are now certified. **Please note: the statute strictly prohibits transferring of any</p>	<p>The process must require:</p> <p>a. certified production to submit, in a timely manner after principal photography or the digital media project ends and after making all of its qualified expenditures, data substantiating each qualified expenditure to an independent certified public accountant licensed in this state;</p> <p>b. Such accountant to conduct a compliance audit, at the certified production's expense, to substantiate each qualified expenditure and submit the results as a report, along with the required substantiating data, to the Office of Film and Entertainment; and</p> <p>c. The Office of Film and Entertainment to review the accountant's submittal and report to the Office of Tourism, Trade, and Economic Development the final verified amount of actual qualified expenditures made by the certified production.</p>	<p>(a) All applications will be reviewed in the order they are received.</p> <p>(b) Initial Review.</p> <p>(1) Each application will go through an initial review process when the qualifying application has been received.</p> <p>(A) If a project submits an application with required materials, and meets all qualifications, the applicant will receive an email notifying them that the Texas Film Commission has received their complete application and the preliminary award determination process will begin.</p> <p>(B) If a project submits an application without the required materials, but initially appears to meet the minimum qualifications, the applicant will receive an email notifying them that their application requires additional materials or documentation, and that not receiving them in a timely manner may result in an application being disqualified.</p> <p>(C) If a project submits an application with or without required materials and does not meet the minimum qualifications, the applicant will receive an email notifying them that they do not qualify for the incentive program, but if minimum qualifications are met, the applicant may reapply before 5:00 p.m.</p>	<p>Part of the approval process, "step eleven", after the New Mexico Film Office receives the tax rebate package.</p> <p>Upon review by the NMFO and after confirmation that all financial obligations in the state have been met, this package will be forwarded to the New Mexico Taxation & Revenue Department (TRD). TRD performs an audit and will review your claim line by line. After a review of the audit, they will return the Application for Film Production Tax Credit form to you with the approved amount.</p> <p>Depending upon the amount of submissions (TRD performs audits based upon the order in which they are received) TRD projects that the average audit process will take approximately sixty (60) – seventy-five (75) days to complete; however, it is imperative to provide TRD with any documentation immediately upon request in order to stay within this timeframe. Please note this projection is not guaranteed by TRD though they make every effort to stay within this timeframe. After you have signed off</p>

	<p>credits before they are certified by office.**</p> <p>After receiving the certification letter from our office, the credits can be applied to any Louisiana income tax liabilities, transferred to the Office of Entertainment Industry Development for \$0.85 (only for initial certifications received after July 1, 2009); or transferred to another Louisiana taxpayer.</p>		<p>Central Time on the last business day prior to the principal start date.</p> <p>(2) Applicants will have the ability to amend information on their application. The Texas Film Commission may determine whether an applicant's amendment(s) will require them to reapply or not.</p> <p>(c) Preliminary Award Determination.</p> <p>(1) During the preliminary award determination process, the Texas Film Commission will review the project's application and budget to identify eligible expenditures and to determine if the applicant meets the minimum program requirements for in-state spending, Texas filming days and Texas residency.</p> <p>(2) The Texas Film Commission will also review the project's content to determine if it is appropriate.</p> <p>(3) If an application meets all minimum program requirements as determined by the Texas Film Commission, the applicant will receive an email notifying them that their application has been approved.</p> <p>(4) If an application does not meet all minimum program requirements as determined by the Texas Film Commission, the applicant will receive an email notifying them that their application does not qualify for the incentive program.</p> <p>(d) Grant Agreement.</p> <p>(1) Upon Texas Film Commission approval of the Qualifying Application, a grant agreement will be executed between the Texas Film Commission and the applicant. The estimated grant amount will be based upon the applicant's</p>	<p>on the approved amount and filed your New Mexico tax return (step twelve below), it will take an additional 2 – 4 weeks to receive your rebate.</p>
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			<p>estimated in-state spending.</p> <p>(2) The grant agreement must be returned to the Texas Film Commission within 7 business days with original signatures.</p> <p>(3) Feature Films, Television Programs and Visual Effects Projects for Feature Films and Television Programs that must choose between the Texas Spend Option and the Texas Wage Option to calculate their grant amount, will not be able to change the option selected once the grant agreement has been signed and returned to the Texas Film Commission.</p> <p>(e) Periodic Tracking and Review. Once the grant agreement has been executed by both parties, the Texas Film Commission may periodically review production activity including, but not limited to, in-state spending, production locations and number of Texas residents hired, and may require documentation for all of the above.</p> <p>(f) Encumbrance of Funds.</p> <p>(1) Upon Texas Film Commission approval of a Qualifying Application and receipt of a signed Grant Agreement, the Office of the Governor will encumber funds for the project.</p> <p>(2) The amount encumbered for a project will be equal to the estimated grant amount on the Grant Agreement plus a 10% contingency.</p> <p>(3) To encumber funds, an applicant must have a Texas Payee Identification Number. Applicants without an existing Texas Payee Identification Number must submit a completed W-9 Form and a Texas Application for Payee Identification Number Form.</p>	
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<p>To what tax liability does tax credit apply?</p>	<p>A tax credit can be applied toward Louisiana state income tax. Since most motion picture investors do not have Louisiana tax liability, the credit cannot be personally utilized. (Louisiana also has state income tax for juridical entities and natural persons.)</p> <p>This is why the tax credit is fully transferable. Anyone may purchase the tax credit. Generally, tax credit brokers purchase a motion picture project's earned tax credits.</p> <p>Typically, a tax credit sells at a value of 80-90 cents on the dollar.</p>	<p>Applies to corporate income tax and sales and use tax credits to qualified entertainment entities rather than reimbursements from appropriations. (Florida does not have state income tax on natural persons.)</p>	<p>Percentage Grant based on:</p> <p>Texas spend option--Feature films, television programs and visual effects projects for feature films and television programs may choose a total spending provision to determine their grant amount that will include all eligible in-state spending (including eligible wages paid to Texas residents).</p> <p>Texas wage option--Feature films, television programs and visual effects projects for feature films and television programs may choose a wages only provision to determine their grant amount that will only include eligible wages paid to Texas residents</p> <p>Additional separate Texas programs:</p> <ul style="list-style-type: none"> • Up-front Sales Tax Exemptions on most items rented or purchased for direct use in production; • Refunds of the 6% State Occupancy Tax on hotel rooms occupied for more than 30 consecutive days; • Refunds on Fuel Tax paid on fuel used off-road. 	<p>New Mexico tax liability.</p>
<p>State logo or "Filmed in..." required?</p>	<p>D. (8) As a condition for receiving certification of tax credits under this Section, state-certified productions may be required to display an animated state brand or logo, or both, which includes a fleur de lis as prescribed by the secretary of the</p>	<p>Promoting Florida.—The Office of Film and Entertainment shall ensure that, as a condition of receiving a tax credit under this section, marketing materials promoting this state as a tourist destination or film and entertainment production destination are included, when appropriate, at no</p>	<p>No.</p>	<p>A long-form narrative film production shall contain an acknowledgment that the production was filmed in the State of New Mexico.</p>

	<p>Department of Economic Development as long as the animated state brand or logo is not contrary to any rule or regulation of the Federal Communications Commission.</p>	<p>cost to the state, which must, at a minimum, include placement of a "Filmed in Florida" or "Produced in Florida" logo in the opening credits and end credits and on all packaging material and hard media, unless prohibited by licensing or other contractual obligations. The size and placement of such logo shall be commensurate to other logos used. If no logos are used, the statement "Filmed in Florida using Florida's Entertainment Industry Financial Incentive," or a similar statement approved by the Office of Film and Entertainment, shall be used. The Office of Film and Entertainment shall provide a logo and supply it for the purposes specified in this paragraph.</p>		
<p>Cap on state-wide credits?</p>	<p>No. There is no cap for the motion picture production tax credit. As long as there is tax liability in Louisiana there will be a market for tax credits.</p>	<p>Yes. The maximum tax credit award for the General Production Queue is \$8 million, Commercial and Music Video Queue is \$500,000 and the Independent and Emerging Media Queue is \$125,000.</p> <p>Clarification: 1. General production queue. —Ninety-four percent of tax credits authorized in any state fiscal year must be dedicated to the general production queue.</p> <p>A qualified production, excluding a commercial, music video, or independent Florida film, that demonstrates a minimum of \$625,000 in qualified expenditures is eligible for tax credits equal to 20 percent of its</p>	<p>No cap on incentive amount.</p>	<p>None.</p>

		<p>actual qualified expenditures.</p> <p>a. An off-season certified production that is a feature film, independent film, commercial, or television series or pilot is eligible for an additional 5-percent tax credit on actual qualified expenditures.</p> <p>An off-season certified production that does not complete 75 percent of principal photography due to a disruption caused by a hurricane or tropical storm may not be disqualified from eligibility for the additional 5-percent credit as a result of the disruption.</p> <p>b. A qualified high-impact television series shall be allowed first position in this queue for tax credit awards not yet certified.</p> <p>2. Commercial and music video queue.—Three percent of tax credits authorized in any state fiscal year must be dedicated to the commercial and music video queue.</p> <p>After a qualified production company that produces commercials, music videos, or both reaches the threshold of \$500,000, it is eligible to apply for certification for a tax credit award. The maximum credit award shall be equal to 20 percent of its actual qualified expenditures up to a maximum of \$500,000.</p> <p>If there is a surplus of such tax credits</p>		
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<p>Credits transferable to other years , people, or from other states?</p>	<p>Yes to all.</p> <p>Transferrable for up to ten years of tax liability afterward, if the Louisiana tax liability for a year is less than the year’s incentives. Transfer does not extend the time a credit can be used.</p> <p>Transferrable to anyone with Louisiana tax liability. A credit can have multiple transferees.</p> <p>You have an option to transfer credits (incentives) to Louisiana for 85/100 on the dollar and will receive a check immediately.</p> <p>*Sellable, typically at 80-90 cents on the dollar.</p>	<p>If the company cannot use the entire credit for the year or taxable periods, can carry forward up to five years, and only government’s decision.</p> <p>Transferrable within five years of awarding, to other persons/companies who meet same requirements. Transferee cannot transfer again. No more than four transferees, and transfer must occur in the same year.</p> <p>Not transferrable from other states.</p>	<p>Not specified, looks like “no”.</p>	<p>No. Neither transferrable nor assignable.</p>