



# FILM PRODUCTION TAX CREDIT PROGRAM

## MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

### **PURPOSE**

State tax credits are issued to a qualified film production company for up to 35% of the amount expended in Missouri for production or production-related activities to facilitate film production in Missouri.

### **AUTHORIZATION**

Sections 135.750, RSMo

### **ELIGIBLE AREAS**

Statewide.

### **ELIGIBLE APPLICANTS**

Any film production company with an expected in-state expenditure budget of at least \$100,000 for films over 30 minutes in length, and at least \$50,000 for films under 30 minutes in length.

### **ELIGIBILITY CRITERIA**

A film production company claiming the credit must first apply to the Department of Economic Development. A particular film will be eligible to receive the tax credit based on the amount of funds still withstanding for that particular year. Prior to the approval, the department will also look at the economic impact in determining whether the particular project would be a good fit for the tax credit.

### **PROGRAM BENEFITS/ELIGIBLE USES**

This tax credit can be applied to:

- Ch. 143 – Income tax, excluding withholding tax
- Ch. 148 –
  - Bank Tax
  - Insurance Premium Tax
  - Other Financial Institution Tax

This credit's special attributes:

- Carry forward 5 years
- Sellable or transferable

Only those Missouri expenditures necessary for the production of the film are eligible. Such expenditures may include, but are not limited to, the costs of labor (Missouri residents only), services, materials, equipment rental, lodging, food, location fees and property rental.

### **FUNDING LIMITS**

The entire film production tax credit program is capped at \$4.5 million.

### **APPLICATION/APPROVAL PROCEDURE**

Due to a finite amount of tax credits available, DED has established a procedure whereby tax credits may be set aside

for a given film project by the submission of an application that provides estimates for the company's Missouri expenditures on the project. Based upon these estimates and any other relevant information, DED may reserve a given amount of tax credits for the project (for a given period of time). If it appears at any time that a project may be significantly delayed, then DED may review the project and, if warranted, reclaim those reserved credits and apply them elsewhere.

In the application form, DED will ask for estimates on the amount of money to be spent in Missouri, as well as projected dates for establishing the production office and the first day of principal photography. These dates will be used in determining the length of time for which tax credits may be reserved for the project, as well as the likelihood that the project will actually be produced in Missouri.

### **REPORTING REQUIREMENTS**

Certain tax credit recipients are required to annually report to the DED information pertaining to the project that received the tax credits. The statute requires that a full year pass after the issuance of the tax credits before SB1099 reporting requirements must be met.

The "Tax Credit Accountability Act" reporting form must be submitted to DED by June 30 each year for three years following the year of the first issuance of tax credits, including the following information:

- Category of business by size
- Address of the business headquarters
- Addresses of all offices located within this state
- Number of employees at the time of the annual update
- Updated estimate of the number of employees projected to increase as a result of the completion of the project
- The estimated or actual project cost

### **CONTACT**

#### **Missouri Department of Economic Development**

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