



INVESTMENT TAX CREDIT FOR QUALIFIED FILM PRODUCTION FACILITIES --

Legislation has been enacted which makes certain property used as a qualified film production facility eligible for the Investment Tax Credit (ITC).

What's Available?

- For corporate taxpayers, a 5% tax credit with respect to the first \$350 million of the investment credit base, and 4% with respect to the investment credit base in excess of \$350 million.
- For personal income taxpayers (a sole proprietor, a partner in a partnership or LLC, a shareholder of a New York S Corp), a 4% tax credit of the investment credit base.
- A taxpayer claiming the ITC may also be eligible for an additional Employment Incentive Tax Credit of 1.5% to 2.5% of the same new capital investment (production facilities and equipment only), in each of the two years following the year the ITC is claimed if employment in those years reaches specified levels, as follows:
 - If employment is at least 101%, but less than 102% of the previous year, the credit is 1.5%.
 - If employment is at least 102%, but less than 103% of the previous year, the credit is 2%.
 - If employment is greater than 103% of the previous year, the credit is 2.5%.

Who is Eligible to Receive the ITC?

- Owners of Qualified Film Production Facilities (NYS production facilities where TV shows and films are regularly produced, and which contain at



least one sound stage of at least 7,000 SF), where such facilities are providing three or more of the following services to any Qualified Film Production Company (producer of feature length films, television films, television pilots or television series):

- Studio lighting grid
- Lighting and grip equipment
- Multi-line phone service
- Broadband information technology access
- Industrial scale electrical capacity
- Food services
- Security services
- Heating, ventilation and air conditioning.

What Property is Eligible for the ITC?

- Tangible personal property and other tangible property, including buildings and structural components of buildings, which are:
 - Placed in service, or to buildings or structural components of buildings for which a final certificate of occupancy is received, after January 1, 2005;
 - Depreciable and have a useful life of 4-years or more;
 - Acquired by purchase; and
 - Located in New York State

How to Claim the Credit?

Tax forms may be found on the Tax Department website at:

<http://www.nystax.gov/> .

For more information, contact the New York State Governor's Office for Motion Picture and Television Development at (212) 803-2330.