

IEDC FILM AND MEDIA TAX CREDIT QUALIFYING EXPENDITURES AND PRODUCTIONS

This document lists the expenditures and productions that do and do not qualify for the Film and Media Tax Credit. The credit is available to qualified media productions that incur qualified production expenses. Only those projects that the IEDC expects to have a positive return on investment will be considered. At a minimum, projects must be financially viable, have positive economic ramifications for the state and must be completed within two years of being approved. For more information, please contact indianafilm@iedc.in.gov.

Qualified Expenditures

- ▶ Acquisition costs for locations, facilities, offices and equipment, including film studios, television studios, media studios and other infrastructure.
- ▶ Acquisition costs for sets, production props, wardrobes, special effects and accessories.
- ▶ Expenditures for materials used to make and operate sets, production props, wardrobes, special effects and accessories.
 - This also includes generators, electric stands, cables, wires and heating and air conditioning equipment on set.
- ▶ Expenditures for lighting equipment, including gels, bulbs and lamps.
- ▶ Expenditures for photography, sound synchronization, film processing, digital imaging, transfers of film to a digital format, lighting and related services.
 - Including cranes, booms, jibs, camera cars and picture cars.
- ▶ Expenditures for editing, visual effects, sound mixing, composing, animation, music supervision and related services.
- ▶ Expenditures for digital discs, masters and hard drives.
- ▶ Shipping costs when a shipment is originating from a location in Indiana.
- ▶ Receiving costs when a shipment is received at a location in Indiana.
- ▶ Wages and salaries.
 - 20% of the total sum expended on above-the-line labor, with a cap of \$500,000 per salary
 - 20% of the total sum expended on out-of-state below-the-line labor
 - 25% of the total sum expended on in-state below-the-line labor
- ▶ Expenditures for skilled workforce training of crew members who are qualified Indiana residents (jobs that aren't receiving Skills Enhancement Funds or Next Level Jobs thru DWD).
- ▶ The payment of student internships, if the student who receives the internship payment is enrolled at a state educational institution (as defined in IC 21-7-13-32).
- ▶ Expenditures for acquisition of rights to a story or story material and scripts.
- ▶ Expenditures for camera equipment, supplies and accessories.

Non-qualified Expenditures

- ▶ Expenditures for tangible personal property acquired in a transaction outside Indiana, even if the property is subject to the use tax under IC 6-2.5-3.
- ▶ The payment of penalties or fines.
- ▶ The performance of services or the conveyance of property in an in-kind exchange.
- ▶ Any production expenditures for tangible personal property or services that are acquired from a business (or an agent of a business) that does not maintain a physical presence in Indiana.
- ▶ Expenditures for cellular telephone service.
- ▶ Marketing and advertising costs.
- ▶ Any expenses that are incurred after the qualified media production becomes commercially available to the public.

- ▶ Airfare travel expenditures for private or chartered aircraft.
- ▶ Acquisition costs of vehicles that are not to be directly used as part of the qualified media production.

Qualified Productions

- ▶ A feature length film, including an independent or studio production or a documentary.
- ▶ A television episodic series, program or feature.
- ▶ A digital media production that is intended for reasonable commercial exploitation.
- ▶ A music video, video game or game show.
- ▶ An educational media production, if the educational media production is not produced primarily for industrial or corporate purposes.
- ▶ Animation or music recorded in Indiana fixed on any delivery system, including film, videotape, computer disc, laser disc or any digital format.

Non-qualified Productions

- ▶ Television coverage of athletic events, news or current events.
- ▶ Programs that include weather reports or financial reports as a material portion of the program.
- ▶ Talk shows in which a host interviews or talks with guests.
- ▶ Awards shows or gala productions.
- ▶ Any production that is intended to solicit donations.
- ▶ Any political advertising messages.
- ▶ A production produced primarily for industrial or corporate purposes.
- ▶ A production in any medium that is obscene (under the standard set forth in IC 35-49-2-1).