

ENTERTAINMENT SERVICES

Georgia Film Tax Credit Overview

Georgia is a production friendly state with transferable film tax credits up to 30% of qualified expenditures.

Highlights:

- 20% base transferable tax credit
- 10% uplift transferable tax credit earned by using an embedded Georgia logo and a link to ExploreGeorgia.org/film on the project's landing page
- Both resident and non-resident workers' payrolls and FICA, SUI, FUI qualify
- Production expenditures must be made in Georgia from a Georgia vendor to qualify
- No limits or caps on Georgia spend. No sunset clause
- No salary cap on individuals paid by 1099, personal service contract or loan-out
- Payments made to a loan-out company will require 6 percent Georgia income tax withholding
- Post production of Georgia-filmed movies and television projects qualifies if post done in Georgia
- Development costs, promotion, marketing, story rights and most fees do not qualify

Overview: Eligible projects include: feature films; television films, pilots or series; televised specials; televised commercials; and music videos that are distributed outside of Georgia. The \$500,000 annual minimum expenditure threshold can be met with one project or the total of multiple projects aggregated in a single tax year. Only production companies are eligible to apply. The income tax credit may be used against Georgia income tax liability or the production company's Georgia withholding, or it can be sold or transferred to one or more Georgia taxpayers.

For a project to be eligible for the 20% transferable tax credit, the Georgia Department of Economic Development (GDEcD) must certify the project. Certification for live action projects will be through the Georgia Film Office. Certification may be applied for within 90 days of the start of principal photography but before the end of principal photography. The best time to submit the application is when the project is green-lit, fully funded and ready to open a production office.

Qualified expenditures include materials, services and labor. The credit applies equally for Georgia residents and non-residents. There is a salary cap of \$500,000 per person, per production, when the employee is paid by "salary," which is defined as being properly paid by W2. If the production company pays an individual for services as a loan-out, as a personal services contract, or a 1099 individual meets the criteria for a loan-out, then 6% Georgia income tax must be withheld and remitted by the production company.

Once the base investment requirement has been met, the film tax credit can be claimed when a Georgia tax return is filed. If the GEP Uplift has been awarded, a digital version illustrating the placement of the GEP logo must be submitted to GDEcD after completion of the project and within twenty-four months from the end of principal photography.

Contact Bob Heuel or Nick Rider at 770-955-8600 or bheuel@mjcpa.com nrider@mjcpa.com for additional information.



To contact a Mauldin & Jenkins representative,
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