

PROGRAM: New Mexico Film Production Tax Credit **Industry Specific Incentive**

AGENCY: Taxation and Revenue Department

DESCRIPTION: An eligible film production company may apply for, and the taxation and revenue department may allow, a tax credit of twenty percent. For taxable years prior to January 1, 2009, the company is eligible for an additional five percent.

ELIGIBILITY:

- Expenses including the direct production expenditures made in New Mexico that are directly attributable to the production of a film or commercial audiovisual product that are subject to taxation by the state may be credited, and
- postproduction expenditures made in the state that are directly attributable to the production of a commercial film or audiovisual product, for services performed in the state, and are otherwise subject to taxation by the state.
- The additional five percent for productions before January 1, 2009 are not available with respect to expenditures attributable to a production for which the film production company receives a tax credit pursuant to the federal new markets tax credit program.
- The credit is also unavailable to production expenditures or post production expenditure for that which the film production company has delivered a nontaxable transaction certificate pursuant to section **7-9-86 NMSA 1978**.
- A five percent additional credit is available for expenditures are for the production of four or more months of a second or subsequent season of a television series; utilizes a permanent studio facility of not less than \$55,000 square feet and that is part of a workforce training program, certified by the film division, with a state education institution; and do not qualify for the federal new markets tax credit program.

STRUCTURE:

- The company must submit information required by the Film Division of the New Mexico Economic Development Department and conform with requirements and agree in writing
 - to pay all obligations the company incurs in the state,
 - to publish 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 company by a specific date,
 - that outstanding obligations are not waived should a creditor fail to file the specified date,
 - to delay filing of a claim for the film production tax credit until the New Mexico film division delivers written notification to the taxation and revenue department that the film production company has fulfilled all requirements for the credit.
- The company must adhere to the specifications of the film division and must include a certification of the amount of direct production expenditures or postproduction expenditure made in New Mexico.

QUALIFICATIONS/CRITERIA

- A long-form narrative film production that receives this deduction must contain an acknowledgment that the production was filmed in New Mexico.
- The film division shall determine the eligibility of the company and shall report this information to the taxation and revenue department in a manner and at times the economic development department and the taxation and revenue department shall agree upon. **See HB 358 & 359 2006 Note that this Repeals NM Filmmaker Tx Cr**
- Visit the Taxation and Revenue Department homepage at <http://www.state.nm.us/tax/home.htm> or call the office of the Secretary at (505)827-0341.