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PRODUCTION INCENTIVES

How to Boost Your Budgets by Leveraging
Film Tax Credits, Cash Rebates and More

A Special Report

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Editor's Letter



Filmmakers live in complicated times. It's not enough that, as distribution moves from physical media to digital transmission, the industry is undergoing arguably the single most substantive change in its business model since its inception. But, in the worst kind of coincidence, those sweeping transformations have been taking place largely in the shadow of a global recession.

In a turbulent economy, fiscal responsibility becomes an even more important trait for successful film producers. Fortunately for the American film industry, state governments have taken steps to regain some of the runaway production that famously fled into Canada and other global locations where tax-incentive programs offered substantial savings. The explosion of incentive programs across the U.S. means filmmakers have more attractive options for shooting in the U.S. than ever before.

It also means that a responsible producer can't afford *not* to take tax breaks into account when scouting and setting locations. But tax laws are complicated, and there are as many variations of tax incentives for film production as there are states offering them. For this StudioDaily Special Report, we've gathered data on tax incentives across the U.S. and Canada, and then asked filmmakers and film-financing experts to help us put that information into perspective. (Laws can change abruptly, so check the state's Web site for the most current info.) You'll learn what tax credits are really worth, and how what you can expect to get out of them varies depending on how you intend to use them. You'll find tips on making sure that a financially attractive location can provide the infrastructure you need. And you'll learn what can go wrong.

While this report will help you understand the strategies and tactics involved in taking advantage of state tax incentives, it should in no way be construed as tax advice. As the information included in the following pages should make abundantly clear, it's of supreme importance that you consult with a tax adviser (and preferably one who's familiar with the ins and outs of the various programs for filmmakers) before making any plans with respect to production activities.

In fact, the only thing more perilous than making unfounded assumptions about tax incentives would be failing to take advantage of them at all. This report will help you avoid both of those mistakes.

Bryant Frazer
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