



# Illinois Film Production Services Tax Credit

## Fact Sheet

### The tax credit consists of:

- 30% of qualified Illinois production spending
- 30% of Illinois resident labor expenditures up to \$500,000 per worker
- 30% of non-resident labor up to \$500,000 per worker for up to nine (9) non-resident employees in the following positions: Director, Writer, Director of Photography, Production Designer, Costume Designer, Production Accountant, VFX Supervisor, Editor, Composer, Actor for work performed in Illinois. For qualified productions spending \$25,000,000 or less, no more than 2 non-resident actors qualify. For qualified productions spending \$25,000,000+, no more than 4 non-resident actors qualify. For a television series, qualifying non-resident wages are limited to the entire season.

### Additional 15% Credit

Applicants will receive an additional 15% tax credit on salaries paid to individuals (earning at least \$1,000 in total wages) who live in economically disadvantaged areas whose unemployment rate is at least 150% of the State's annual average

### Tax credit eligibility

- **\$50,000 in Illinois production spend** for a project less than 30 minutes,
- **\$100,000 in Illinois production spend** for a project 30 minutes or more qualifies

Production companies must promote diversity by making “good-faith” efforts to hire ethnic minority persons and women. They must also submit a diversity plan setting forth proactive steps they will take in achieving a crew that represents the diversity of the State.

**Illinois production spending means** tangible personal property and services purchased from Illinois vendors, compensation paid to Illinois resident employees (up to a maximum of \$500,000 per employee), and up to \$500,000 in compensation paid up to nine (9) non-resident employees in the following positions: Director, Writer, Director of Photography, Production Designer, Costume Designer, Production Accountant, VFX Supervisor, Editor, Composer, Actor for work performed in Illinois. For qualified productions spending \$25,000,000 or less, no more than 2 non-resident actors qualify. For qualified productions spending \$25,000,000+, no more than 4 non-resident actors qualify. For a television series, qualifying non-resident wages are limited to the entire season.

- **An Illinois Vendor** is a purveyor of goods and services used in the production who is domiciled in Illinois and in good standing with the Illinois Secretary of State.
- **An Illinois resident** is someone who has a valid state ID or driver's license that was issued prior to their commencement of work on the production.

## **Application Process**

- **Application – Commercial production applications** filed with the Illinois Film Office 24 hours before filming begins in Illinois
- **Application – Film/Television/Streaming production applications** filed with the Illinois Film Office at least 5 business days before principal photography begins, including:
  - Competitive Need - the applicant must demonstrate that if not for the credit, the applicant's production would not occur in Illinois.
  - Diversity Plan – Specific goals for hiring minorities and women
  - Copy of Contract, proof of Copyright, or an Affidavit from copyright owner or authorized representative of the copyright owner.
- **Approval of Application** - If the application is approved, an Accredited Production Certificate will be issued to the applicant
- **Claiming the Credit** – After completing production in Illinois, companies must work with an independent and licensed Certified Public Accountant (“CPA”) to validate and calculate local production spend. The CPA will certify the qualifying Illinois expenses for the tax credit claim and will send all documentation to the Illinois Film Office.
- **Certification** – Upon receipt of the claimed credits from the licensed CPA, the Film Office will review the qualified expenses and diversity efforts; and upon approval, will issue a Tax Credit Certificate.
- **Transfer** – A tax credit may be transferred within one year of issuance; it may be divided between up to 10 transferees but cannot be re-transferred. Requests to transfer credits can be submitted via a Transfer Request Form. The request must include:
  - Original taxpayer's name
  - Date the original tax credit certificate was issued
  - The tax credit amount earned
  - Amount of the tax credit to be transferred
  - Federal Taxpayer ID # of transferee (attach W-9 from the buyer)

## **Productions That Do Not Qualify for Credits**

- News, current events or public programming, or a program that includes weather or market reports
- Talk shows, games, questionnaires, or contests
- Sporting events or activities
- Award shows, galas, or telethons
- Productions produced primarily for industrial, corporate, or institutional purposes

## **Carry Forward**

Unused tax credits may be carried forward 5 taxable years from the year of issuance.