



SOFT MONEY “Incentives” Checklist

Soft Money comes in a variety of options, and you can finance your production with a blend of them, depending on the type of project and where you decide to film. Use this handy guide as you seek the best funding options for your project!

Jurisdictions offering “Tax Credits” as “production incentives” administer and process these incentives through the filing of an income tax return by the Production Company in that particular state or country.

- **Refundable Tax Credits** are refunds provided by the Tax authorities once the Production Company has filed an income tax return. The refundable credit consists of excess production credits net of income tax liability (if any).
- **Transferable Tax Credits** are Non-Refundable Tax Credits which, if not used to offset the Production Company’s income tax liability, the Production Company is allowed to sell directly to local taxpayers or indirectly through brokers.
- **Rebates/Grants** are funds paid directly to the Production Company and are not administered/processed through the state income tax return. Awarded to projects that meet certain criteria.
- **Up-Front / Back-End Production Funding** are funds provided by local investors / taxpayers in exchange for advantageous local tax treatment, granted only to eligible productions.

Best Practices

- ☐ When reviewing available incentives, determine the jurisdictions which might be appropriate, based on the necessary script requirements for location, as well as crew requirements, etc.
- ☐ Determine available funds in each jurisdiction, and exchange rate (if applicable).
- ☐ Understand the timing of your cash benefit based on the type of the incentive in the jurisdiction.
- ☐ Prepare comparative budgets, if necessary.
- ☐ Make sure you understand rules, requirements, and limitations.

- ☐ Contact the Film Office and Department of Revenue as soon as possible.
- ☐ Comply with the jurisdiction’s initial application process as soon as possible.
- ☐ Align yourself with professionals with experience in the jurisdictions.
- ☐ Make sure you identify, and document all qualified spend.
- ☐ Comply with the jurisdiction’s final application and audit process (if applicable) as soon as possible.