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Kootenai Falls

Montana Economic Development Industry Advancement Act

Application Instructions for Production Companies

Montana Department of Commerce | commerce.mt.gov | montanarelay.mt.gov (711)
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COMMERCE

Overview

The Montana Film Office pre-certifies productions that intend on claiming the transferable income tax credit via the Montana Department of Revenue. Pre-certification is required for production and post-production with a non-refundable $500 filing fee. The application may be saved for editing until complete submission. Production companies earn up to a 35% transferable income tax credit on the base investment in Montana. Post-Production companies earn a 25% tax credit (non-transferable) on wages incurred in the state. Application link, specific incentive portions and provision of the tax credit, instructions, and legislation are available on the film office website.

Instructions

Before Production

1. The application for pre-certification with the Montana Film Office on qualified productions must be submitted before the start of principal photography.
2. Register the production company name with the Montana Secretary of State. Contact the Montana SOS Business Services Division to obtain the appropriate form for your business (Sole Proprietorship, Partnership, C Corporation, S Corporation, LLC). Forms can be downloaded online or requested from the SOS Business Services Division by calling 406-444-3665. A filing fee is required.
3. Approval is within seven to ten business days.
4. Complete and submit the MEDIA Act application for either Production or Post-Production.
5. Information on Corporate Officers, EIN or SSN will be required.
6. Script, Storyboard or Synopsis will be required.
7. Budget, estimated spend and credit estimation will be required.

8. The term does not include any form of business owned, affiliate, or controlled, in whole or in part, by a company or person that is in default on a tax obligation of the state, a loan made by the state, or a loan guaranteed by the state.
9. Obscenity Certification to certify this production does not contain any material or performance defined as obscene by Montana Code Annotated, section 45-8-201.
10. Non-Tobacco Certification to certify that this production will not receive any money for tobacco product placement, advertisement, or other tobacco use in the production.
11. Submit the MEDIA Act Pre-Certification Application in its entirety to the Montana Film Office.

Submissions are not complete until the $500 non-refundable fee is received. Upon approval of this pre-certification and fee receipt, production companies will receive a letter from the Montana Film Office with specific instructions on the program.

During Production

Keep accurate records and receipts of qualified Montana expenditures and payroll records for employees working on the production, including a completed Media Comp form for every employee on your project. The credit is equal to 20% of qualified expenditures incurred in connection with the state-certified production during the tax year.

Additional credit amounts are allowed, not to exceed 35% of the production company's base investment in a tax year. The additional credit amounts include 25% of the compensation paid to a Montana resident and 15% of the compensation paid to a non-resident, not to exceed $150,000 credit per person.

During Post-Production

Keep accurate records and receipts of qualified Montana payroll records.

At Tax Year End

Submit receipts, payroll records and other forms of verification for the expenditures incurred after principal photography ends to the Film Office AND the Montana Department of Revenue at the end of the tax year following project completion in order to claim the credit. This includes any qualified expenditures incurred after the completion date of principal photography and before the end date of Montana post-production indicated on the approved MEDIA Act certification application.

A completed application and filing fee are due to the Department of Revenue when you begin the income tax return process. Production companies will receive information from the Film Office with specific instructions and tax forms to claim the tax credits. This will include submitting the following forms to the Montana Department of Revenue:

- A Montana tax return on the appropriate form for your entity
- Film credit form provided by the Department of Revenue
- The production company must pay a fee of $500 for productions with a base investment of $350,000 or less, and $1,000 for productions with a base investment of more than $350,000, or for post-production.
- The tax credit claimed on the appropriate schedule for your entity

Please note: Pass-through entities (partnerships, S corporations and LLCs) must pass through the tax credit to its members, shareholders or partners based on the same proportion that is used to report their income or loss for state tax purposes. Initially the production company that incurred the qualifying employment and expenditures will file a Montana tax return to establish the amount of tax credit available for pass through. After this amount is established each member, shareholder or partner must file a Montana

income tax return to claim their portion of the tax credit. The production company can apply the tax credit against its Montana tax liability. Any remainder is available to carry forward for five succeeding tax years. The production company may also transfer the credit to another party. A transfer fee will apply.

Contacts

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