



THE FLORIDA ENTERTAINMENT INDUSTRY FINANCIAL INCENTIVE PROGRAM: OVERVIEW & HIGHLIGHTS

The Entertainment Industry Financial Incentive program is created within the Office of Film and Entertainment (OFE). The purpose of this program is to encourage the use of this state as a site for filming, for the digital production of films, and to develop and sustain the workforce and infrastructure for film, digital media, and entertainment production. The [Program Rules](#) and [Definitions](#) are available online.

TAX CREDIT AWARD ELIGIBILITY BY PROJECT TYPE:

PROJECT TYPE	20% BASE AWARD	5% OFF-SEASON BONUS	5% FAMILY FRIENDLY BONUS	5% UNDER-UTILIZED REGION BONUS (GENERAL PRODUCTION QUEUE ONLY)	5% QUALIFIED PRODUCTION FACILITY BONUS (GENERAL PRODUCTION QUEUE ONLY)	5% QUALIFIED DIGITAL MEDIA FACILITY BONUS (GENERAL PRODUCTION QUEUE ONLY)
Theatrical Motion Pictures	\$	\$	\$	\$	\$	
Direct-to-Video Motion Pictures	\$	\$	\$	\$	\$	
Visual Effects/Digital Animation Sequences produced in conjunction with a motion picture	\$			\$		\$
Documentary Films	\$			\$	\$	
Industrial or Educational Films	\$			\$	\$	
Television Production	\$	\$		\$	\$	
Made for TV Motion Pictures	\$			\$	\$	
Television Pilots	\$	\$		\$	\$	
Television Series	\$	\$		\$	\$	
Digital Media Projects	\$			\$		\$
Video games	\$		\$	\$		\$
Commercials	\$			\$	\$	
Infomercials	\$			\$	\$	
Music Videos	\$			\$	\$	

INELIGIBLE PROJECTS:

Pornographic productions, weather or market programs, sporting events, sports shows, galas, productions that solicit funds, home shopping programs, political programs, political documentaries, political advertisements, gambling-related projects or productions, concert productions, current-events or current affairs shows, local, and regional or internet-only distributed news shows. **NEW: TV series and pilots applying in the General Production Queue may be ineligible if program cap for TV series has been reached – call the Office of Film & Entertainment prior to applying.**

PROGRAM HIGHLIGHTS:

- **5 year program that started July 1, 2010 and sunsets June 30, 2015**
- The priority for qualifying/certifying projects for tax credit awards is determined on a first-come, first-served basis within its appropriate queue
- **20% - 30% transferable tax credit**
 - 20% base percentage
 - 5% Off Season Bonus (for certain production types)
 - 5% Family Friendly Bonus (for certain production types)
 - 5% [Underutilized Region](#) Bonus (for General Production Queue only)
 - 5% Qualified Production Facility/Digital Media Facility Bonus (for General Production Queue, on expenditures associated with production activity at a Qualified Production Facility/Digital Media Facility)
 - 15% Florida Student/Recent Graduate (for General Production Queue, on student/recent grad wages and other compensation)
- Three separate queues based on project type/budget:
 - 1. General Production Queue**
 - Eligible productions: films, TV (**NEW: TV series and pilots may be ineligible if program cap has been exceeded**), documentaries, digital media projects, commercials and music videos
 - Minimum spend: \$625,000
 - Maximum incentive award: \$8,000,000
 - 2. Commercial and Music Video Queue**
 - Minimum spend: \$100,000 per commercial or music video
 - **After** a production company produces national or regional commercials, music videos, or both and reaches the threshold of \$500,000 within the fiscal year (July 1 – June 30), it is eligible to apply (*can bundle projects*)
 - Maximum incentive award: \$500,000 per fiscal year
 - 3. Independent & Emerging Media Production Queue**
 - Eligible: films, TV, documentaries, digital media projects
 - Minimum spend: \$100,000
 - Maximum spend: \$625,000
 - Maximum incentive award: \$125,000
- **High-impact television series** (min \$625,000 per episode with an order of at least 7 episodes per season) may have priority for tax credits not yet certified
- **NEW:** Digital media project with qualified expenditures of greater than \$4.5 million may have priority for tax credits not yet certified
- Min 50% production cast and below-the-line production crew must be legal Florida residents on all qualified/certified projects (except digital media projects); increases to 60% July 1, 2012
- Min 75% positions must be legal Florida residents on digital media projects
- Qualified production expenditures include pre-production, production and post-production but exclude costs for development, marketing, and distribution

APPLICATION PROCESS:

- No earlier than 180 days before the first day of principal photography or project start date, an Applicant shall electronically submit its Application to the address indicated on the Application Instructions; (**NEW**) provided, however, that once a High-Impact Television Series has been certified, it may apply for two successive seasons. The time of Application receipt by OFE shall be determined by reference to State computer server records.
- **By 5:00 p.m. (Tallahassee time) on the next business day following the date of electronic Application submittal, OFE must receive from the Applicant all required supporting schedules and documents, as specified in the Application, along with the original, signed, Application. These items must be provided as both hard copy and electronic files on an optical disc or flash drive. Upon OFE's timely receipt of these materials, the Application**

shall be deemed complete. NO HAND DELIVERY. Please see the list of required documents on the following page.

REQUIRED DOCUMENTS:

REQUIRED DOCUMENTS LIST	FILMS/ DOCUMENTARY	TELEVISION PROJECT	DIGITAL MEDIA	VISUAL EFFECTS	DIGITAL ANIMATION	COMMERCIALS/ MUSIC VIDEOS
NEW: Proof of Financing (within 90 days of application or by 1 st day of production whichever is first - General Production Queue only)	X	X	X	X	X	X
Florida Qualified Expenditures Budget	X	X	X	X	X	X
Script or Story Boards	X	X	X	X	X	X
Synopsis	X	X	X	X	X	
Shooting Schedule or copy of Production Board	X	X				X
Day Out Of Days (Actor Work Detail) if applicable	X					
Production Schedule (animated productions)					X	
Production Calendar (TV Series)		X				
Project's Production Schedule (digital media projects)			X			
Shot List (visual effects)				X		
Expected Completion Date (visual effects)				X		
Request for Confidentiality (OPTIONAL)	X	X	X	X	X	X
Supplemental application for each commercial/music video						X
Daily Call Sheets for each commercial/music video						X
Crew list for each commercial/music video						X
Production Stills, Posters if applicable						X
DVD of each finished commercial and/or music video						X

QUALIFICATION PROCESS:

- The OFE will review a submitted application to determine if it contains all required information and meets the Program criteria. The review will include an interview with the contact person listed on the Application
- The OFE will prioritize all Qualified Productions on a first-come, first-served basis within the appropriate Queue, based on the time the Application was electronically received

- High-Impact Television Series or a digital media project with qualified expenditures of greater than \$4.5 million may be allowed first position in the General Production Queue if program caps have not been exceeded
- Based on its review, OFE shall either deny the Application or qualify the Applicant and recommend to The Division of Strategic Business Development (DSBD) that the Applicant be certified for a tax credit award, if available, based upon its approved Qualified Expenditures budget
- Complete applications will be reviewed, qualified, certified or denied within 20 business days of receipt

CERTIFICATION PROCESS:

- Certification of tax credits is conditioned upon their availability pursuant to the fiscal year allocation specified in section 288.1254(7), Florida Statutes
- Certification of tax credits are tied to the fiscal year(s) in which the Certified Production is scheduled for completion.
- If tax credits are not available for the year the Certified Production is scheduled to complete future fiscal year credits will be certified to the production
- If no credits are available in the present or future fiscal years, then the certification is conditional and dependent upon credits becoming available in the future.
- If credits for a particular fiscal year become available in the future, either through non-award of previously certified credits or through legislative changes or otherwise, then DSBD shall distribute them on a first-come, first-serve basis, based on the time the original Application was received

QUALIFIED EXPENDITURES:

- Goods purchased or leased from, or services provided by, a Florida Qualified Vendor (see Definition) or supplier in this state which is registered with the Department of State or the Department of Revenue, **has a physical location in this state, and employs one or more legal residents of this state. NEW: This does not include re-billed goods or services provided by an in-state company from out-of-state vendors or suppliers.**
- Payments to residents of this state in the form of salary, wages or other compensation (*fringes*) up to a **maximum of \$400,000 per resident**
- Only pre-production, production and post production expenditures can be qualified expenditures. Costs associated with development, marketing, or distribution are not qualified expenditures
- For a qualified production involving an event, such as an awards show, the term 'qualified expenditures' excludes expenditures solely associated with the event itself and not directly required for the production of the event
- Up to \$300,000 of the costs of newly purchased computer software and hardware unique to the project, including servers, data processing, and visualization technologies, which are located in and used exclusively in the state for the production of digital media
- Expenditures made prior to certification by DSBD cannot be considered qualified expenditures, with the exception of the pickup of additional episodes of a television series within a single season
- Only NET expenditures paid to Florida vendors and wages/salaries paid to Florida residents are qualified expenses
- Out of state equipment, payroll or services are not qualified expenditures

OBTAINING YOUR TAX CREDIT:

- After all Qualified Expenditures have been made, the Certified Production must hire an independent Florida-based and Florida-licensed Certified Public Accountant (CPA) of the Certified Production's choosing, at the Certified Production's expense, to verify the Qualified Expenditures.
- After the CPA verifies the actual Qualified Expenditures, the Certified Production company shall submit to OFE a final report, which shall include:
 - The CPA's compliance audit
 - A letter from the CPA outlining its verification procedures

- Proof the CPA has been fully paid (such payment shall not be considered a Qualified Expenditure)
- A final report on the agreed upon procedures by the CPA determining the amount of Qualified Expenditures incurred by the Certified Production
- Qualified Expenditures broken out by type: accounts payable to Florida Qualified Vendors, petty cash, and Florida Worker payroll (the latter being provided as separate files for the cast, crew, and extras)
- A completed Summary Statement signed by an authorized officer of the Certified Production company
- A copy of all data substantiating the Qualified Expenditures (receipts, invoices, cancelled checks, payroll records, etc.). Any substantiation which OFE considers not a Qualified Expenditure will be returned to the Certified Production company for written rebuttal. If no written rebuttal is received within 10 business days, the expenses will not be considered a Qualified Expenditure. If written rebuttal is submitted within the required 10 business days, OFE will review the written rebuttal and, in the event OFE's decision remains the same, the rebuttal will be referred to DSBD for final determination
- OFE will review the accountant's final report, and then report to DSBD the final verified amount of actual Qualified Expenditures made by the Certified Production
- DSBD will determine and approve the final tax credit award amount to each Certified Production. DSBD shall document its award using the Award Letter, the original of which DSBD shall send to each Qualified Applicant, with a copy to the Department of Revenue
- The final tax credit award amount may not exceed the maximum tax credit award amount certified, neither per fiscal year nor in the aggregate. The Award Letter shall specify the fiscal year(s) in which the awarded credits may be applied against tax liability

USING YOUR TAX CREDIT:

- Within fourteen (14) days after receipt of the Award Letter, the awardee shall file with DSBD a completed Tax Credit Election Form, which shall constitute an irrevocable election to apply the tax credit against taxes due under chapter 220, Florida Statutes, against taxes collected or accrued under chapter 212, Florida Statutes, or against a stated combination of the two taxes
- Tax credits may not be claimed against any tax liability for any tax period beginning before July 1, 2011
- Within fourteen (14) days after DSBD receives a completed Tax Credit Election Form, DSBD shall provide a copy of the form to the Department of Revenue
- A Recipient electing to transfer credits shall apply for the transfer using the Tax Credit Transfer Form
- Within fourteen (14) days after the receipt of a completed Tax Credit Transfer Form, DSBD shall determine whether transfer is authorized under section 288.1254(5), F.S., and, if it so authorized, provide a copy of the form to the Department of Revenue
- Transferee is subject to the same rights and limitations as the certified production company awarded the tax credit, **EXCEPT (NEW)** that the initial transferee shall be permitted a one-time transfer of unused credits to no more than two subsequent transferees, and such transfers must occur in the same taxable year as the credits were received by the initial transferee, after which the subsequent transferees may not sell or otherwise transfer the tax credit
- The certified production company may transfer/carry forward tax credits up to 5 years from the date the credit is awarded after which the credit expires and may not be used
- The certified production company may apply tax credits against sales and use tax (chapter 212) or transfer them one time to one transferee
- The certified production company may apply tax credits towards corporate income tax (chapter 220) or transfer them one time to no more than 4 transferees within the same taxable year
- A qualified production company that is not a corporation as defined in s.220.03 may elect to distribute tax credits awarded to its partners or members in proportion to their respective distributive income or loss in the taxable year in which the tax credits were awarded

- Tax credits may succeed to a surviving or acquiring entity and are subject to the same conditions and limitations as the original certified production company. However, they may not be transferred again by the surviving or acquiring entity

MARKETING REQUIREMENTS:

As a condition of receiving tax credits the Recipient must provide:

- Placement of a “Filmed in Florida” or “Produced in Florida” logo, provided by OFE, in the end credits. The size and placement of such logo shall be commensurate to other logos used. If no logos are used, the statement “Filmed in Florida using Florida’s Entertainment Industry Financial Incentive,” or a similar statement approved by the OFE, shall be used.
- Placement of the “Filmed in Florida” or “Produced in Florida” logo on all packaging material and hard media, unless such placement is prohibited by licensing or other contractual obligations. The size and placement of such logo shall be commensurate to other logos used. If no logos are used, the statement “Filmed in Florida using Florida’s Entertainment Industry Financial Incentive,” or a similar statement approved by the OFE, shall be used.
- Five (5) different high resolution still production photos in a digital format to the OFE before public distribution of the production, with rights cleared for Florida’s promotional use only
- Three (3) copies of the full-size poster for the production to the OFE before public distribution of the production. If none are created, two copies of other marketing materials shall be provided
- One (1) copy of the EPK for the production at the time it is made available to the press, if one is created
- Three (3) copies of the final released version of the production to the OFE
- Placement of a 30-second “Visit Florida” promotional video on all optical disc formats of a film, unless such placement is prohibited by licensing or other contractual obligations, and such is indicated in writing by an officer of the production company. The 30-second promotional video shall be approved and provided by the Florida Tourism Industry Marketing Corporation in consultation with the Film Commissioner.

WITHDRAWAL OF ELIGIBILITY:

- **NEW:** Projects in the General Production Queue must provide proof of financing within 90 days, or prior to start of principal photography or project start date (if there is no principal photography), whichever is sooner. Failure to meet this requirement will result in withdrawal of eligibility
- If principal photography or production started in Florida before the applicant became designated as a certified production by DSBD the applicant is no longer eligible
- Certified projects must start within 45 calendar days before or after the production’s principal photography or project start date as listed in the application or lose certification
- If a production determines it must delay its original principal photography or project start date, it must notify the OFE in writing prior to the original principal photography or project start date and provide proof of financing, if not already on file with the OFE, dedicated to the production equal to or greater than its approved qualified expenditures in a form acceptable to the OFE. Not doing so will forfeit your incentive certification
- DSBD may revoke or modify any written decision qualifying, certifying or otherwise granting eligibility for tax credits if it is discovered that the tax credit applicant submitted any false statement, representation or certification in any application, record, report, plan or other document filed in an attempt to receive tax credits
- A project not agreeing to the terms and conditions of the contract will forfeit its certification
- Failure to meet the spending and threshold requirements of their queue will forfeit certification
- Failure to provide documentation requested by the OFE will forfeit certification
- Including pornographic or obscene content, as defined by Florida’s Supreme Court will forfeit certification
- Applicants must comply with all existing Labor, Employment, Immigration and Internal Revenue laws and regulations. Failure to comply will forfeit certification.