



Illinois Film Production Services Tax Credit Effective January 1, 2009

Fact Sheet

The Illinois Film Production Tax Credit for productions commencing on or after January 1, 2009

The tax credit consists of:

30% of the Illinois production spending for the taxable year
30% credit on Illinois salaries up to \$100,000 per worker

Tax credit eligibility

\$50,000 in Illinois production spend for a project 29 minutes or under,
\$100,000 in Illinois production spend for a project over 30 minutes qualifies
Illinois production spending means tangible personal property and services purchased from Illinois vendors and compensation paid to Illinois resident employees (up to a maximum of \$100,000 for a single employee).

- The tax credit has to directly contribute to the production filming in Illinois.
- Production companies must also be willing to promote diversity by making a “good – faith” effort to hire a percentage of minorities. 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.
- Services qualify as local production spend if they are purchased from an Illinois vendor who has an Illinois address.
- **An Illinois resident** is someone who has a valid state ID or driver’s license that was issued prior to the commencement of the production.
- A copy of an employee's Illinois driver’s license or state identification issued by the State of Illinois showing an address in the impoverished area will be sufficient to document the 15% additional credit.

Application Process

- **Application – Commercial applications** filed with the Illinois Film Office 24 hours before principal photography begins
- **Application – Film/Television applications** filed with the Illinois Film Office 5 business days before principal photography begins, along with:
 - Documentation of competitive need

- Diversity Plan – Specific steps on the hiring minorities and women
- Copy of Contract or Copyright
- **Documentation** – After finishing your project, you must work with a Certified Public Accountant to validate and calculate your local production spend. The CPA will provide an unqualified opinion of your tax credit earned and will send all of your documentation the Illinois Film Office.
- **Certification** – Once we receive your processed credit from a Certified Public Accountant, we confirm your Diversity efforts and then issue your Tax Credit Certificate.
- **Transfer** – The tax credit may be transferred only once. You will have to request in writing a transfer of the tax. Your request must include:
 - Original taxpayer's name
 - Date the original tax credit was issued
 - The tax credit amount earned
 - Amount of the tax credit to be transferred
 - Federal employer ID #

Who is excluded from tax credit?

- News, current events, or public programming, or a program that includes weather or market reports
- Talk show, game, questionnaire, or contest
- Sports event or activity
- Awards show, galas, or telethons
- A production produced primarily for industrial, corporate, or institutional purposes

Carry Forward

The tax credit can now be carried forward 5 years from when it was originally issued by DCEO.

Additional Information

* 15% of the Illinois labor expenditures generated by the employment of residents who make more than \$1,000 and live in geographic areas of high poverty or high unemployment, as determined by the Department of Commerce and Economic Opportunity.