

STATE OF NEW MEXICO - TAXATION AND REVENUE DEPARTMENT  
**APPLICATION FOR FILM PRODUCTION TAX CREDIT**

**The purpose of this form.** This form may be used by an approved film production company to apply for a film production tax credit. To receive approval, contact the New Mexico Film Office of the Economic Development Department at (505) 827-9810 or (800) 545-9871. The amount of the credit is equal to fifteen percent of production expenditures made in New Mexico that are subject to taxation by the State of New Mexico and directly attributable to the production in New Mexico of a film project. Submit this completed application with required documentation to the Taxation and Revenue Department, one application for each approved film project. The Department will notify you of the approved amount of credit. This refundable credit can be applied against personal or corporate income tax due the state of New Mexico. Use form RPD-41228, *Film Production Tax Credit Claim Form*, to claim the credit.

Mail this form to: Taxation and Revenue Department, Administrative Resolution and Services Bureau, P.O. Box 630, Santa Fe, New Mexico, 87504-0630. For assistance call (505) 827-1012 for personal income tax returns or (505) 827-0817 for corporate income tax, pass-through entity, or fiduciary income tax returns.

<b>Name of Eligible Film Production Company</b>		<b>Taxpayer Identification Number</b> (SSN or FEIN)
<b>Mailing Address</b> Enter the contact information for the permanent records on the reverse if different.		<b>City, State and Zip Code</b>
<b>Name of Contact Person</b>	<b>Telephone Number</b>	<b>Fax Number and E-mail Address</b>

- A. Total production expenditures made in New Mexico that are subject to taxation by the State of New Mexico and directly attributable to the production in New Mexico of the film project for which this credit is claimed. \$ \_\_\_\_\_
- B. Film production tax credit claimed (Line A x 15%) \$ \_\_\_\_\_
- C. Enter the *Project Title* as indicated on the New Mexico Film Office *Film Production Company Registration Form*. \_\_\_\_\_

**Please ensure all required supporting documentation is attached to your application.**

<b>Certifications</b>		
<b>I certify that the film:</b>		
<input type="checkbox"/> has been exhibited in theaters or has been licensed for exhibition by television or for the home viewing market; and <input type="checkbox"/> that the total direct production expenditures included in line A above: <ul style="list-style-type: none"> <li>• include only expenditures made in New Mexico directly attributable to the approved production;</li> <li>• include only expenditures which are subject to taxation by the State of New Mexico, and</li> <li>• exclude expenditures for which the film production company delivered a nontaxable transaction certificate pursuant to 7-9-86 NMSA 1978.</li> </ul> <input type="checkbox"/> <b>For long-form narrative films only</b> , I certify that the film contains an acknowledgment that the production was filmed in New Mexico.		
<i>I declare I have examined this application, including accompanying invoices, schedules and/or statements, and to the best of my knowledge and belief this application is true, correct and complete.</i>		
Authorized Signature	Title	Date

<b>FOR DEPARTMENT USE ONLY</b>		
This application for Film Production Tax Credit was reviewed by the Taxation and Revenue Department and was		
<input type="checkbox"/> Approved in the amount of	\$	_____
<input type="checkbox"/> Adjusted and approved in the amount of	\$	_____
<input type="checkbox"/> Disapproved		
Reason for adjustment/disapproval _____		
Signature of Director or Delegate	Date	Approval No.

## Application for Film Production Tax Credit Instructions

**ABOUT THIS CREDIT:** Beginning on January 1, 2002, the film production tax credit, Section 7-2F-1 NMSA 1978, provides a tax credit for an eligible film production company of 15% of film production expenditures made in New Mexico that are subject to taxation by the State of New Mexico and directly attributable to the production in New Mexico of a film. The film production tax credit shall not be claimed for expenditures for which the film production company has delivered a nontaxable transaction certificate pursuant to Section 7-9-86 NMSA 1978.

**To be eligible for the film production tax credit** a film production company must first be approved by the New Mexico Film Office of the Economic Development Department. After approval, the eligible film production company may apply for the credit by submitting a completed form RPD-41229, *Application for Film Production Tax Credit*, to the Taxation and Revenue Department. The Department may approve the film production tax credit and issue a document granting the tax credit. Please allow four to six weeks to process the application.

**To claim the approved film production tax credit** the approved film production company may apply all or a portion of the film production tax credit granted against personal income tax liability or corporate income tax liability. If the amount of the film production tax credit exceeds the film production company's tax liability for the taxable year in which the credit is being claimed, the excess shall be refunded. To claim approved credits against tax liabilities, complete Form RPD-41228, *Film Production Tax Credit Claim Form*, and submit the form with the return to which the taxpayer wishes to claim the credit.

**"Film"** means a single media or multimedia program that is fixed on film, videotape, computer disc, laser disc or other similar delivery medium that can be viewed or reproduced and fulfills at least one of the following conditions:

- is exhibited in theaters,\*
- is licensed for exhibition by individual television stations, groups of stations, networks, cable-television stations or by other means, or
- is licensed for the home viewing market.

Film also includes a national advertising message that is exhibited in theaters.

\* *The film for which the credit is being taken must be exhibited in theaters before the credit can be claimed.*

**Direct production expenditures** include:

- (a) the cost of a story and scenario to be used for a film;
- (b) wages or salaries for talent, management and labor paid to persons who are residents of New Mexico;
- (c) the cost of set construction and operations, wardrobe, accessories and related services;
- (d) the cost of photography, sound synchronization, lighting and related services;
- (e) the cost of editing and related services;
- (f) rental of facilities and equipment;
- (g) leasing of vehicles;
- (h) costs of food or lodging;
- (i) airfare if purchased through a New Mexico-based travel agency or travel company;
- (j) insurance costs and bonding if purchased through a New Mexico-based insurance agent, and
- (k) other direct costs of producing the film within film industry practice.

**Direct production expenditures** exclude:

- (a) expenditures for which the film production company has delivered a

nontaxable transaction certificate (NTTC) Type 16 pursuant to 7-9-86 NMSA 1978. Type 16 NTTCs may be executed by a qualified production company to purchase property, lease property or purchase services that qualify as production costs.

(b) expenditures which are not subject to tax by New Mexico.

**Wages and salaries for talent, management and labor** are eligible for the film production tax credit only when paid to individuals who are New Mexico residents during the time that they performed work on the project. Residency may be demonstrated by possession of a valid New Mexico driver's license, possession of current registration to vote in New Mexico or filing as a resident a New Mexico income tax return for a previous year. Other evidence may be acceptable; for example, a minor may present parents' proof of residency. Form RPD-41271, *Declaration of Residency*, must be completed by the employee and retained in the records of the film production company.

### FORM INSTRUCTIONS:

**Name/address block** Complete all information requested in this block. If the contact for the permanent records is different, enter the contact information below.

**Line A** Enter the total direct production expenditures made in New Mexico that are subject to taxation by the State of New Mexico and directly attributable to the production in New Mexico of the film project for which this credit is claimed. Do not include any direct production expenditures for which the film production company has delivered a Type 16 NTTC pursuant to Section 7-9-86 NMSA 1978. Do not include direct production expenditures made outside New Mexico, or direct production expenditures which are not subject to New Mexico state tax.

**Line B** Enter the film production tax credit claimed. Multiply line A by 15%. This is the amount of film production tax credit that you are claiming.

**Certifications** You must certify that the statements set out under *Certifications* are true and correct. You must place a check mark in the box next to each statement.

**Sign** the application, enter your title and the date of signature. Mail to: Taxation and Revenue Department, Administrative Resolution and Services Bureau, PO Box 630, Santa Fe, NM 87504-0630

**Required Supporting Documentation** Submit the following documentation to support your claim:

- A copy of the approval from the New Mexico Film Office.
- A copy of the final cost-accounting summary for the project with a breakout of the New Mexico costs for each line item.
- The name, address, social security number and amount paid for every resident of New Mexico for whom the company wishes to claim credit for wages and salaries.
- If the company has obtained Type 16 NTTCs from the Taxation and Revenue Department, a listing of every person to whom the company has delivered an NTTC. The list must contain the name, address and New Mexico CRS identification number, if applicable, and the dollar amount of purchases from that person.

**Enter the contact information for the permanent records.**

Name \_\_\_\_\_

Telephone and E-mail Address \_\_\_\_\_

Mailing Address \_\_\_\_\_