

STATE OF NEW MEXICO - TAXATION AND REVENUE DEPARTMENT
APPLICATION FOR NEW MEXICO FILMMAKER TAX CREDIT

The purpose of this form. This form may be used by an approved film production company to apply for a New Mexico filmmaker tax credit. To receive approval, contact the New Mexico Film Division of the Economic Development Department at (505) 827-9810 or (800) 545-9871. Submit this completed application with required documentation to the Taxation and Revenue Department, one application for each approved film project. Mail this form to: New Mexico Taxation and Revenue Department, Attention Jerry Montoya, P.O. Box 630, Santa Fe, New Mexico, 87504-0630. For assistance call (505) 827-0929.

Name of eligible film production company		Taxpayer identification number (SSN or FEIN)
Mailing address	City, state and zip code	
Name of contact person	Telephone number	Fax number and e-mail address

- A. 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 a television series for which this credit is claimed. \$ _____
- B. New Mexico filmmakers production tax credit claimed (Line A x 5%) \$ _____
- 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.

Certifications

I certify that:

- the total direct production expenditures included in line A above:
- are made in New Mexico;
 - are subject to taxation by the State of New Mexico;
 - include payroll to below-the-line crew of whom 60% are residents of New Mexico; (See the definition of New Mexico resident in the instructions);
 - are for equipment goods, services, vehicles or other property or services supplied by individuals or companies who have been paying gross receipts tax in New Mexico for a minimum of two years;
 - be for rental equipment domiciled in New Mexico for a minimum of 183 days per year as defined by the New Mexico Film Division of the Economic Development Department, and
 - **exclude** expenses for which the film production company has already delivered a nontaxable transaction certificate according to Section 7-9-86 NMSA 1978.
- For long-form narrative films only**, I certify that the film contains an acknowledgment that the production was filmed in New Mexico.

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.

Authorized Signature Title Date

FOR DEPARTMENT USE ONLY

This application for New Mexico Filmmakers Tax Credit was reviewed by the Taxation and Revenue Department and was

- Approved in the amount of \$ _____
- Adjusted and approved in the amount of \$ _____
- Disapproved _____

Reason for adjustment/disapproval _____

Signature of Director or Delegate Date Approval No.

Application for New Mexico Filmmakers Tax Credit Instructions

ABOUT THIS CREDIT: Beginning on January 1, 2005, the New Mexico filmmakers tax credit provides a tax credit for an eligible film production company of 5% of certain direct production expenditures made in New Mexico and directly attributable to the production in New Mexico of a television series. Direct production expenditures must:

- be made in New Mexico;
- be subject to taxation by the State of New Mexico;
- include payroll to below-the-line crew of whom 60% are residents of New Mexico; (See the definition of New Mexico resident on this page)
- be for equipment goods, services, vehicles or other property or services supplied by individuals or companies who have been paying gross receipts tax in New Mexico for a minimum of two years;
- be for rental equipment domiciled in New Mexico for a minimum of 183 days per year as defined by the New Mexico Film Division of the Economic Development Department, and
- **exclude** expenses for which the film production company has already delivered a nontaxable transaction certificate according to Section 7-9-86 NMSA 1978.

To be eligible for the New Mexico filmmaker production tax credit a film production company must first be approved by the New Mexico Film Division of the Economic Development Department. After approval, the eligible film production company may apply for the credit by submitting a completed Form RPD-41303, *Application for New Mexico Filmmaker Tax Credit*, to the Taxation and Revenue Department. The Department may approve the New Mexico filmmaker tax credit and issue a document granting the tax credit. Please allow four to six weeks to process the application.

To claim the approved New Mexico filmmaker tax credit the film production company may apply all or a portion of the New Mexico filmmaker tax credit granted against personal income tax liability or corporate income tax liability or any tax liability of a pass-through entity. If the amount of the New Mexico filmmaker tax credit exceeds the film production company's tax liability for the tax year in which the credit is claimed, the excess shall be refunded. To claim approved credits against tax liabilities, complete Form RPD-41304, *New Mexico Filmmaker Tax Credit Claim Form*, and submit the form with the return for which the taxpayer wishes to claim the credit.

"Film" means a single media or multimedia program, including a national advertising message, that:

- is fixed on film, videotape, computer disc, laser disc or other similar delivery medium;
- can be viewed or reproduced;
- is exhibited in a theater;
- is intended for exhibition by a television station, network or other means;
- is intended for the home viewing market; or
- is publicly viewed in any other medium.

"Television series" means one or more productions that may be exhibited by a television station or network.

"Direct production expenditure" means an expenditure used in the production of a film for:

- (a) the story and scenario;
- (b) wages or salaries for talent, management or labor paid to a resident of New Mexico;
- (c) set construction and operations, wardrobe, accessories and related services;
- (d) photography, sound synchronization, lighting and related services;
- (e) editing and related services;

- (f) rental of facilities and equipment;
- (g) leasing of vehicles;
- (h) food or lodging;
- (i) travel costs limited to airfare paid to a travel agency or travel company with its primary place of business in New Mexico;
- (j) insurance coverage and bonding to an insurance company or agency with its primary place of business in New Mexico, or
- (k) other direct costs of producing a film in accordance with generally accepted entertainment 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 that are not subject to tax by New Mexico.

Wages, fringe benefits or fees for talent, management and labor are eligible for the New Mexico filmmakers tax credit only when paid to individuals whose primary residence has been in the State of New Mexico for the previous two years. Form RPD-41271, *Declaration of Residency*, must be completed by the New Mexico resident and retained in the records of the film production company.

"New Mexico Resident" is a person whose primary residence has been in the state of New Mexico as defined by the New Mexico film division of the Economic Development Department in consultation with the Taxation and Revenue Department and as evidenced by a signed residency affidavit, Form RPD-41271, *Declaration of Residency*.

FORM INSTRUCTIONS:

Name/address block Complete all information requested in this block.

Line A Enter the total direct production expenditures made in New Mexico that are directly attributable to the production in New Mexico of the television series for which this credit is claimed.

Line B Enter the New Mexico filmmakers tax credit claimed. Multiply line A by 5%. This is the amount of New Mexico filmmakers tax credit that you are claiming.

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

Sign the application, enter your title and the date of signature. Mail to: Taxation and Revenue Department, Attention Jerry Montoya, 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.