

Highlights of the 2008 Georgia Entertainment Industry Investment Act



- Previous multi-part, tier incentive is now 20% flat tax credit on qualified Georgia expenditures.
- The foundation of the Act is a 20% investment tax credit. Production companies that spend a minimum of \$500,000 in the state on qualified production and post production expenditures in a single year are eligible for this credit. This includes most materials, services and labor. The 20% credit applies to both residential and out-of-town hires working in Georgia with a salary cap of \$500,000 per person, per production, when the employee is paid by "salary," which is defined as being paid by W2. If the production company uses a 1099 or a personal services contract to hire someone this limit does not apply.
- Provides an additional 10% tax credit if a production company includes a Georgia promotional logo in the qualified finished feature film, TV series, music video or video game project.
- Provides the same tax credits anywhere in the State of Georgia.
- Provides the same tax credits to all in-state and out-of-state labor working in Georgia
- Commercials and music videos are eligible for the 20% base tax credit once the production company has spent a minimum of \$500,000 on qualified expenditures during a single year. This may be through a single project or multiple projects.
- The tax credits apply to the company's Georgia tax liability. Should the company have limited or no Georgia tax liability, then the credit may be transferred or sold once to one or multiple Georgia-based taxpayers to use against their tax liabilities.
- In addition to feature film and television production, the Act also includes other areas of original entertainment content creation including animation, interactive entertainment and video game development.
- Productions may also qualify to take advantage of Georgia's Sales and Use Tax Exemption, a point-of-purchase sales tax exemption that saves you up to 8% on most purchases and rentals in the state.

Please contact the **Georgia Film, Music & Digital Entertainment Office** of the Georgia Department of Economic Development at **404-962-4052** or via email at film@georgia.org for more information.