



Georgia Film, Music & Digital Entertainment
Tax Incentives



Georgia Film, Music & Digital Entertainment

Georgia is a production-friendly state. You'll find small towns with a welcoming southern feel and world-class cities with all the resources and amenities you'll need. You can develop, shoot and edit your production with highly-trained professional crews in state-of-the-art facilities, and the state's diverse geography offers countless location choices. Georgia also offers production companies strong financial tools that make working here the smart choice.

Georgia offers two ways to save. The **2008 Georgia Entertainment Industry Investment Act** grants an income tax credit of 20% to qualified productions which include not only traditional motion picture projects such as feature films, television series, commercials and music videos, but also innovative new industries such as game development and animation. Feature films, television projects, music videos and video games are also eligible to receive an additional 10% tax credit for including an imbedded Georgia Entertainment Promotion in a prominent position within the titles or prior to the below the line credit roll of the finished product.

Film, video, broadcast and music production companies working in Georgia can also realize significant savings through the **Georgia Sales & Use Tax Exemption**. Qualified companies can receive an immediate point-of-purchase sales tax exemption that will save up to 8% on most below-the-line materials and service purchases, leases, or rentals.

Combine these powerful financial tools with the Georgia Film, Music & Digital Entertainment Office's knowledgeable, hands-on staff, the state's diverse locations, the convenience of Hartsfield-Jackson Atlanta International Airport and a welcoming, pro-business climate, and you have the perfect backdrop for any production.

Inside this brochure you will find information regarding eligibility, qualification, and the application process for both the **2008 Georgia Entertainment Industry Investment Act** and the **Sales & Use Tax Exemption**. For more information, please contact:

Georgia Film, Music & Digital Entertainment Office

Georgia Department of Economic Development

75 Fifth Street, NW

Suite 1200

Atlanta, GA 30308

Phone: (404) 962-4052

Fax: (404) 962-4053

Email: film@georgia.org

Web: www.georgia.org

Georgia Department of Revenue

Tax Law and Policy

1800 Century Blvd., N.E.

Suite 15311

Atlanta, GA 30345

Phone: (404) 417-2219

Fax: (404) 417-6651

Web: www.dor.ga.gov



Highlights of the 2008 Georgia Entertainment Industry Investment Act

The Georgia Entertainment Industry Investment Act offers an across the board flat tax credit of 20% based on a minimum investment of \$500,000 on qualified productions in Georgia.

An additional 10% uplift can be earned by including an imbedded animated Georgia logo on approved projects.

Qualified expenditures include materials, services and labor. The credit applies equally for Georgia residents and non-residents. There is 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.

Eligible productions include: feature films; television movies, pilots or series; commercials; music videos; and certain interactive projects including types of animation, special effects and video game development.

The \$500,000 minimum expenditure threshold can be met with one or the total of multiple projects aggregated.

The income tax credit may be used against Georgia income tax liability or the company's Georgia withholding. If the production company chooses, they may make a one-time sale or transfer of the tax credit to one or more Georgia taxpayers.

Certification Process

To be eligible for the 20% transferable tax credit, the production must be certified by the Georgia Film, Music & Digital Entertainment Office. Applications should be submitted with a current shooting script or video game synopsis (if applicable) for each project. Certification may be applied for as soon as pre-production begins or the company knows that they will be producing the project in Georgia. In most instances, projects will be reviewed and certified within 72 hours, although some applications may require additional information.

To be considered for the 10% Georgia Entertainment Promotion (GEP) uplift, feature films, television pilots, and television series and video games must:

- complete the project certification application
- attach a final shooting script or video game synopsis
- complete the Georgia Entertainment Promotion application

For music videos to be considered for the 10% GEP uplift, a finished product must be submitted to the Georgia Film, Music & Digital Entertainment Office for consideration. Commercials are not eligible for the 10% GEP uplift, due to the nature of commercial production.

Projects will be qualified at the sole discretion of the Georgia Film, Music & Digital Entertainment Office and all decisions will be final.

To review the rules and regulations that apply to the 2008 Georgia Entertainment Industry Investment Act or to download an application, please visit: www.georgia.org/EntertainmentIndustry/AboutTheIndustry/Incentives.html

Completed certification applications may be mailed or faxed to:

Lee Thomas
Georgia Film, Music & Digital Entertainment
Georgia Department of Economic Development
75 Fifth St., N.W., Suite 1200
Atlanta, GA 30308
Phone: (404) 962-4052 Fax: (404) 962-4053

Once the production is certified, the production company will receive a certification letter from the Department of Economic Development to be attached to its Georgia income tax return. The Georgia Department of Revenue's FORM IT-FC will also need to be completed and attached to the tax return to claim the film tax credit. The credit can be claimed once the investment requirement has been met.

Tax returns claiming this credit must be sent to:

Georgia Department of Revenue
Taxpayer Services Division
P.O. Box 49431
Atlanta, GA 30359-1431

Qualified Companies and Projects

Pre-production, production and/or post-production of film, video, or digital projects that are recorded in Georgia and intended for distribution outside of the state are eligible for the Georgia Entertainment Industry Investment Act.

Qualified projects include:

- Feature films
- Television series, pilots or movies
- Commercials
- Documentaries
- Animated films and television programs
- Video games
- Music videos
- Sound recordings used in feature films, television series, pilots, movies, and video games

Production companies do not have to be incorporated or headquartered in Georgia, and do not have to hold a Georgia bank account to qualify for the tax credit. Companies or corporations formed for a specific project are eligible to apply. To claim the credit, production companies must not be in default on any tax obligation to the state or in default on any loan guaranteed by the state.

Commercials and Music Videos

Commercial and music video productions qualify for the 20% income tax credit if qualified expenditures by a single production company on one or more projects reach at least \$500,000. Music videos are also eligible to be considered for the 10% GEP uplift.

Interactive and Video Game Development

Interactive and video game development studios can take advantage of the tax credit if they meet the \$500,000 threshold for expenditures on one or more projects. Interactive games are also eligible to receive the GEP uplift if they are approved and imbed a Georgia animated logo in the finished project.

Most qualified expenses for interactive and video game studios are covered by the transferable tax credit. To qualify, computer hardware, including servers, must be used directly for production of the game and not for distribution purposes. These expenses may only be claimed once and must be depreciated. Custom game platforms developed by studios for sale to other game developers are not eligible for the tax credit; however, the studio that buys these platforms may claim them as an expense toward the development of a game. The development of not for hire, original video game content in Georgia will qualify for the incentives.

Salaries paid to permanent, part-time, or freelance employees of the studio are eligible for the tax credit as long as the employees are directly attached to a specific, certified project over a specified time period. If a game development studio is producing a game over several years, it should apply for project certification on an annual basis.

Companies and Projects That Do Not Qualify

Live coverage of events, including news, sports, concerts and awards shows; industrial and corporate marketing or training videos; TV programs or feature films consisting primarily of stock footage not originally recorded in Georgia; trailers promoting theatrical films, works for hire, website development, and anything that is not original film, television, or video game entertainment content recorded in Georgia do not qualify for the tax credit. Pornographic content or sexually explicit content does not qualify. Any content rated greater than “R”, such as NC-17 or unrated products, may not qualify. Arcade video games, online gambling, video games that promote gambling or feature gambling as an integral part of the game or structure and interactivity do not qualify.

Service companies, including post-production houses, catering companies, rental houses, and game development studios designing platforms for outside game developers are not eligible for the tax credit. Qualified production activities include the production of new film, television, video and digital projects recorded in the state. Post production of projects shot outside of the State of Georgia does not qualify.



Qualified Production Expenditures

Items that may be included in the company's total Georgia expenditure include, but are not limited to

- Camera equipment, supplies and accessories
- Motion picture film and videotape stock
- Digital discs, masters & hard drives
- Lighting equipment, including gels, bulbs and lamps
- Stage & studio equipment rentals
- Cranes, booms, dollies and jibs, camera cars, picture cars
- Electric stands, cables and wires
- Generators, fuel & cables
- Location fees & location supplies
- Character generators
- Sound recording equipment
- Costumes, props, scenery and materials to construct them
- Design services, materials, & equipment
- Heating and air conditioning equipment used on the set
- Drafting equipment & supplies
- Special effects supplies, equipment and services
- Photographic film
- Animation equipment and service
- Computer hardware, software, graphic equipment and services
- Video game development platforms purchased from outside vendors
- Equipment and supplies for duplication, sound mixing, editing and conforming
- Rental of production office space and stage space
- Makeup, supplies & accessories
- Film processing and color correction services
- Film, digital, or tape editing and related services
- Transfers of film to tape or digital format
- Hotel rooms and lodging
- Airfare if purchased through a Georgia-headquartered travel agency
- Insurance and bonding if purchased through a Georgia-headquartered insurance agency
- Purchase or rental of motor vehicles
- Script revisions and supplies
- Payroll up to \$500,000 per person, per production if paid by W2; no cap if workers are paid by 1099 or by personal services contract including most fringes, per diems and kit rental



Calculating Your Savings

Determine your base investment or the total amount of all qualified production expenditures in Georgia. This includes expenditures made in Georgia that are directly used in a qualified production.

To calculate your tax credit, simply multiply your qualified Georgia expenditures by .20. **For example, for a base investment in Georgia of \$20,000,000, your savings would be \$4,000,000. If you include the Georgia Entertainment Promotion (GEP) in the finished project, your credit would be at the 30% level, or $20,000,000 \times .30 = \$6,000,000$ in Georgia tax credits! Keep in mind that you may use this credit against your Georgia income tax liability, or you may transfer (sell) it to any Georgia taxpayer.**

Filing for the 2008 Georgia Entertainment Industry Tax Credit

To claim this credit on your tax return, you must substantiate production expenditures made in Georgia. The Georgia Department of Revenue requires the following:

- A certification letter from the Georgia Film, Music & Digital Entertainment Office
- A description of qualified production activities, including a detailed breakdown to prove that the base investment of \$500,000 has been met
- A list of employees including names, Social Security numbers and Georgia wages, when payroll is included in the base investment
- The amount of credit being claimed for the tax year; any credit previously claimed against withholding; any credit carried forward from previous years; the amount of credit to be used in the current tax year; and the amount of credit to be carried forward (See DOR's Form IT-FC.)

Transferability

Tax credits will be available for use against Georgia income tax liability or the company's Georgia withholding. The production company can make a one-time sale or transfer of the film credit to another Georgia taxpayer(s). (See Department of Revenue's IT-TRANS form).

Tax credits can be carried forward for five years. Any transfers must take place within a time frame that will allow the transferee sufficient time to claim the credit. For additional details, please see the Georgia Department of Revenue's Film Tax Credit Rules & Regulations (560-7-8-.45).

The expiration of the carry-forward period is based on the end of the tax year in which the production company could claim the tax credit and not the date of transfer. Therefore, if a production company claimed a credit on a year-end tax return (Dec. 31, 2005), that credit will expire at year-end five years later (Dec. 31, 2010), even if the production company does not transfer that credit until March 15, 2006.

Tax credits may only be sold or transferred once; however, the sale or transfer may involve multiple Georgia transferees or buyers.

The credit may be sold for not less than 60% of the credit amount and Form IT-TRANS (Notice of Credit Transfer) must be filed with both the Department of Economic Development and Department of Revenue within 30 days of transfer or sale of the film tax credit.

Once a company claims the income tax credit, the materials will be reviewed by the Department of Revenue. Should the production company wish to apply the excess credit against withholding, Form IT-WH (Notice of Intent) must be filed with DOR at least 30 days prior to the earlier of the due date of the return or the date the return is filed. DOR will then notify the production company specifying the amounts available to utilize against withholding.

Frequently Asked Questions –2008 Georgia Entertainment Industry Investment Act

How does the production company apply for the 20% income tax credit? The company will apply to the Georgia Department of Economic Development (GDEcD), Film, Music & Digital Entertainment Division, for certification of the production. The certified production and DOR's Form IT-FC should be attached to the production company's tax return when claiming the tax credit.

How does the company apply for the additional 10% Georgia Entertainment Promotion uplift? Feature films and television projects must submit final shooting scripts along with a completed Georgia Entertainment Promotion (GEP) application. Music videos and video games must submit the completed project for review, along with a completed GEP application.

TV commercials do not qualify for the GEP uplift.

How does a company get the Georgia Entertainment Logo to include in their projects? After being approved for the GEP uplift, the Georgia Film, Music & Digital Entertainment Office will provide you with the promotional logo.

What if a production company does not want to include the GEP in their project? They are welcome to apply for the 20% income tax credit only.

What if a company receives the credit for the GEP uplift but does not satisfy the requirements for the additional 10%? If a production company files their tax return and claims the full 30% tax credit, but does not include the Georgia Entertainment Promotional logo as defined in the 2008 Georgia Entertainment Industry Investment Act Rules and Regulations, the Georgia Department of Revenue will be notified and will recoup the 10% uplift earned.

Does the company apply and become certified on a per project basis? Yes. An application must be submitted for each specific project.

How do you define what is a project? A project may be a single commercial, a commercial campaign, a music video, studio feature film, indie feature film, TV pilot episode or an entire TV series season, or an original video game developed in Georgia.

When does the company apply for the 20% income tax credit? Application for certification of the project can be made to GDEcD as soon as pre-production begins or the company knows they will be producing the project in Georgia. The tax credit may be claimed once a minimum of \$500,000 of expenditures have been made and the tax return covering those expenditures is filed with the Georgia Department of Revenue. (See question 1 above.)

Do commercials and music video companies qualify?

If so, how? Yes, if the qualified in-state production expenditures on a project or series of projects is at least \$500,000. Music video producers may also submit their finished product along with a GEP application for consideration of the 10% uplift. Commercials do not qualify for the GEP uplift.

Are interactive gaming projects or animation features that take several years to complete eligible?

Yes. The company should apply for the film tax credit when the project meets the expenditure threshold of \$500,000, and should be recertified for each year that tax credits are claimed.

Are permanent employees of a game development studio included?

Yes, as long as they are directly attached to a single specific and certified project or production only.

If an individual wants to invest in a film, how is this handled?

Does he or she qualify? The credit is intended to create new business through specific projects undertaken by production companies. There is no investor credit in Georgia for film, video or interactive projects. In order for the investor to be able to claim any of the tax credit generated by the production company, the investor would have to be an owner (or part owner) of the production company and the production company be a flow-through entity (i.e., S-Corp., LLC or partnership). Otherwise, the investor would have to buy the credits in order to be eligible to claim them on his/her tax return.

Who becomes certified or applies for the credit, the LLC or the parent company?

The entity generating the tax credit (the production company) must have the project(s) certified -- this should be the LLC. If the LLC is a disregarded entity for tax purposes, then the credits will automatically flow up to the parent company. An exception will occur if the entity is claiming the credit against withholding and the LLC has its own withholding account. For LLCs that choose to be taxed as a corporation, the credits can be claimed at the LLC level and will not be allowed to be utilized by the parent company. (The credit can be assigned to an affiliated entity on an original return.) In an S-Corp. or partnership configuration, the credits may flow through to the shareholders or partners.

What happens if the parent company has expenditures that pre-date the creation of the LLC? Will they qualify?

As long as the parent company charges the expenditures back to the LLC after it is formed, the expenditures will generally qualify. The expenditures must be charged as incurred by the parent; no mark up of expenses will be allowed.

What if a company rents or buys equipments outside of Georgia?

Expenditures outside of Georgia do not qualify for the tax credit.

Can a company use both the sales tax exemption and the income tax credit?

Yes, if the company qualifies.

Do wages that are paid on behalf of the production company by an out-of-state payroll company to an individual working in Georgia on a certified production qualify? The wages qualify if paid to an individual working in Georgia.

If a director, actor, or other production personnel is employed in a production as “loan out” from Los Angeles, will they qualify as employees eligible for the tax credit while they are working in Georgia? Yes.

Would payments to a loan out company be subject to Georgia withholding? No.

Are fringes considered qualified expenditures? FICA, SUI, FUI, are qualified expenditures but must be attributed to Georgia as provided in Revenue Regulation 560-7-8-.45. Hotel and meal per diems if incurred in Georgia are qualified expenditures. Union pension and welfare are qualified expenditures if the amounts are paid to the union as part of pension, health, and welfare (these would not be required to be paid to a vendor with a Georgia location since they are part of compensation), but they must be attributed to Georgia as provided in Revenue Regulation 560-7-8-.45. Health insurance premiums are qualified expenditures if these amounts are paid to the union as part of pension, health, and welfare (these would not be required to be paid to a Georgia based insurance company since they are part of compensation) but they must be attributed to Georgia as provided in Revenue Regulation 560-7-8-.45. Service fees paid to a payroll company (this includes workers compensation) qualify as qualified expenditures, but only if the payroll company has a location in Georgia and they must be attributed to Georgia as provided in Revenue Regulation 560-7-8-.45.

Would the payroll processing fees be a qualified expenditure?

The fees would qualify if the payroll company is located in Georgia.

If I set up a post office box in Georgia, would that qualify me as a Georgia vendor? To qualify as a Georgia vendor, a company must have a physical address and employees.

If one person serves several roles in a project, i.e., writer, director, actor, etc., will they be eligible for as many separate salary caps? No. No matter how many roles an individual has in the production of the project, the salary cap of \$500,000 per person per project will apply if the person is paid by W2.

Does an insurance company or travel agency have to be based in Georgia, or simply have a Georgia presence to qualify for the tax credit? The travel agency or insurance company must be headquartered in Georgia, rather than simply having a branch office in the state.

My studio purchases computer hardware and software to develop games. Are these qualified expenses?

Yes, but they can only be claimed once towards the production of a specific project and must be depreciated. However, if the studio purchases updated hardware or software intended for use in the same project, they may claim these expenses.

Does the company take the credits at the completion of the project? The credit may not be claimed until the tax return is filed for the tax year in which the expenditures are incurred.

To whom can the credits be transferred? Any Georgia taxpayer.

Who handles the brokerage of these credits?

Private companies only. Not state agencies.

How long do they have to carry forward the credits?

Tax credits may be carried forward for five years from the end of the tax year in which the qualifying expenditures were incurred.

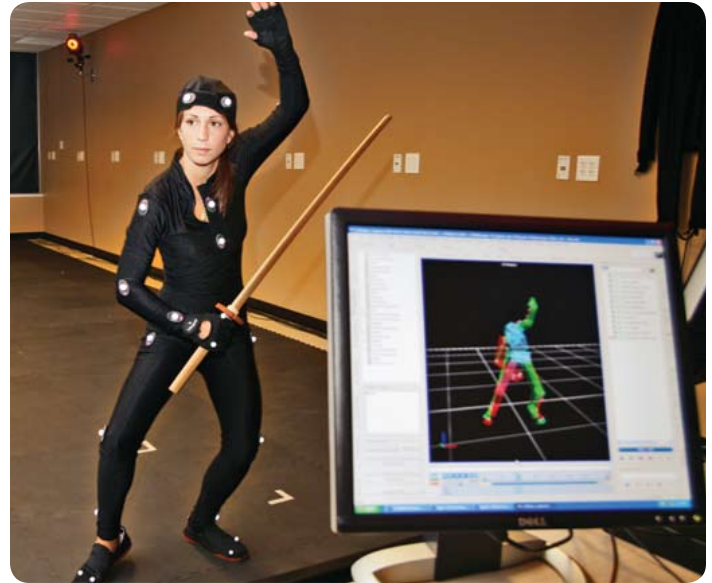
How would a company utilize their credits against their employees' withholding tax? Once a company files for the income tax credit, the materials will be reviewed by the Department of Revenue. Should the production company wish to apply the excess credit against withholding, Form IT-WH (Notice of Intent) must be filed with DOR at least 30 days prior to the earlier of the due date of the return or the date the return is filed. DOR will then notify the production company specifying the amounts available to utilize against withholding..

Can it be assigned to subsidiaries?

The film credit may be assigned to affiliated entities under O.C.G.A. §48-7-42. If the production company assigns the credit to an affiliated entity, the affiliated entity can only utilize the credit against their income tax liability; the affiliated entity cannot use the credit against withholding. An assignment must be done on the original tax return.

What department or office would be the main point of contact to answer questions or resolve disputes?

The Film, Music & Digital Entertainment Division of the Georgia Department of Economic Development (GDEcD) handles the certification of the production project. The Georgia Department of Revenue manages the calculation, utilization of, and compliance with the tax credit.





Highlights of the Georgia Sales & Use Tax Exemption

The Georgia Sales & Use Tax Exemption provides film, video, broadcast and music production companies working in Georgia immediate point-of-purchase savings on most below-the-line materials and service purchases, leases or rentals. This easy-to-use financial tool applies to both state and local sales taxes, adding up to 8% in cost savings per purchase.

Qualified Production Materials and Services

Items eligible for sales tax exemption include, but are not limited to:

- Camera equipment, supplies and accessories
- Motion picture film and videotape stock
- Digital discs and masters
- Lighting equipment, including gels, bulbs and lamps
- Stage equipment
- Cranes, booms, dollies and jibs
- Electric stands, cables and wires
- Generators used to operate tax-exempt lighting and stage equipment
- Time code equipment
- VTR and digital editing equipment
- Switchers
- Character generators
- Sound recording equipment
- Costumes, props, scenery and materials to construct them
- Design equipment
- Heating and air conditioning equipment that is not part of the realty and is used on set
- Drafting equipment
- Special effects supplies and equipment
- Photographic film
- Animation equipment
- Computer graphic and image equipment
- Motor vehicle rentals and leases that are exclusively used on production sets
- Equipment and supplies for dubbing, mixing, editing and cutting
- Film processing
- Computer graphics services

- Photography on the set used in the film
- Fabrication, printing or production of scripts, storyboards, costumes, wardrobes, props, scenery or special effects

Non-Qualified Production Materials and Services

Items not eligible for sales tax exemption include, but are not limited to:

- Hotel rooms and lodging
- Catered food and beverage
- Make-up
- Office supplies, furniture and janitorial supplies
- Bottled water
- Crew uniforms
- Flowers and plants used off set
- Personal gifts
- Utilities
- Cell phones, pagers and battery chargers
- Reusable shipping cases and packaging materials
- Motor fuel
- Repairs to equipment
- Transportation services
- Janitorial Supplies
- Purchases of motor vehicles or motor vehicle leases or rentals used to transport items or individuals and any other tangible personal property
- Taxable services not specifically exempt under this regulation

If certain purchased equipment will be added into the company's inventory for possible use on future projects, it will not be eligible for exemption.

Qualified Productions

- The production project must be intended for commercial distribution beyond the state of Georgia. This does not include live coverage of news, sports, concerts or distribution primarily via the Internet.
- The production company must be primarily engaged (more than 50%) in the production of feature films, training films, series, pilots, movies for television, commercials, music videos or sound recordings captured on film, video or digital format.
- Production must take place in Georgia.
- Applications must be submitted on a per project basis.
- Only those qualified materials or services purchased, rented or leased in Georgia will be considered.
- If not based in Georgia, applicants must supply a local address.
- Companies may apply for the exemption as a refund if established turnaround times for the application approval cannot be met.
- Only fully funded projects will be considered.
- Activities may include the production or post-production of film or video projects that include: feature films; television pilots, series, specials or movies; television commercials; music videos; sound recordings; and documentaries.

To review the Rules and Regulations that apply to the Georgia Sales & Use Tax Exemption or to download an application, please visit: www.georgia.org/EntertainmentIndustry/AboutTheIndustry/Incentives.htm Or at www.dor.ga.gov.

The Application Process

A Georgia based or non-Georgia based production company conducting motion picture, television or sound recording business in the state of Georgia may be designated a qualified production company and receive a certificate of exemption from the Georgia Department of Revenue.

Those seeking an exemption must submit an application to the Georgia Film, Music & Digital Entertainment Office for each specific project. Applications must include the dates of production, federal ID number, business address, local address and the project's intended geographic distribution. Qualified projects should be fully funded, have commercial geographic distribution outside Georgia and be shot in Georgia. Production companies must complete all information required on the application form. Applications will be reviewed in a timely manner and the Georgia Department of Revenue will provide an exemption certificate that includes the production start date and an expiration date on a per project basis. This certificate may be photocopied and distributed to suppliers and/or vendors. Any information gathered from production companies for the purpose of this section should be considered confidential taxpayer information under Georgia law.

Once certified, the production company will receive an exemption certificate letter that can be presented at the time of purchase.

A copy of the application form is located at www.georgia.org/EntertainmentIndustry/AboutTheIndustry/Incentives.htm

Official Rules and Regulations regarding the Georgia Sales & Use Tax Exemption can be found at www.georgia.org/EntertainmentIndustry/AboutTheIndustry/Incentives.htm or at www.dor.ga.gov

Applying for the Georgia Sales & Use Tax Exemption Refund

Three forms may be required for the refund process: an application for Certificate of Exemption (ST-PE1), a Claim for Refund (ST-12) and a Waiver of Vendor's Rights for Refund (ST-12A). These forms can be found at:

www.georgia.org/EntertainmentIndustry/AboutTheIndustry/Incentives.html or at www.dor.ga.gov

Complete an application for Certificate of Exemption form and submit to the Georgia Film, Music & Digital Entertainment Office, which will certify the production and forward the application to the Georgia Department of Revenue for processing. Applications should be sent to:

Georgia Film, Music & Digital Entertainment Office
Georgia Department of Economic Development
75 Fifth St., N.W. Suite 1200
Atlanta, GA 30308
Phone: (404) 962-4052 Fax: (404) 962-4053

If the tax has been paid on the purchase or rental of exempt items, the production company should download a Claim for Refund form (ST-12) and a Waiver of Vendor's Rights for Refund form (ST-12A) from either of the two Web sites above.

The production company should provide each vendor or supplier of qualified equipment or services for which sales tax has been paid with a copy of the Waiver of Vendor's Rights for Refund form. The vendor or supplier must then return the completed form to the production company.

The production company should complete a single Claim for Refund form and mail it with the returned and completed

Waiver forms, a copy of the Certificate of Exemption form and any supporting documents to the Department of Revenue for processing. Incomplete forms or insufficient supporting materials may delay processing. Forms should be sent to:

Georgia Department of Revenue
Tax Law and Policy
1800 Century Blvd., N.E. Suite 15311
Atlanta, GA 30345

The Department of Revenue will mail a letter of confirmation to the production company upon receipt of completed forms and documents.

Refund fulfillment may take up to two months.

Additional inquiries should be directed to the Georgia Department of Revenue at (404) 417-6601.



Frequently Asked Questions – Georgia Sales & Use Tax Exemption

How do I qualify for the exemption? Submit a completed application to the Georgia Film, Music & Digital Entertainment Office on a per project basis. Once certified, the application will be forwarded on your behalf to the Georgia Department of Revenue for review and issuance of the exemption certificate.

Do I need a definite start date to qualify for the exemption?

What if the date changes? The certificate of exemption is issued for a specified period of time based on information provided in the application. If the timeframe changes, you may request a revised certificate of exemption by contacting the Georgia Department of Revenue.

Once I'm approved, is there a time limit for how long I can use the exemption? The exemption certificate is issued for the period of time specified on the applications.

Once I apply for the exemption, how long will it take to be approved? It can take up to 10 business days but usually less.

Is there a certain amount of money I need to spend in Georgia to get the exemption? No.

I plan to shoot my entire project in Georgia with the exception of three days in Los Angeles. Will this affect my exemption status?

This could affect your exemption status. Contact the Georgia Film, Music & Digital Entertainment Office for additional information.

I plan to shoot a commercial that will be seen throughout the state of Georgia. Will I qualify for Georgia's tax exemption?

Projects must be intended for commercial distribution extending outside the state of Georgia. Projects distributed primarily via internet or live coverage of an event, including, but not limited to news, sporting events and concerts are not exempt.

I plan to shoot the first half of my movie in Georgia and the second half in California. Will I still qualify for Georgia's motion picture tax exemption? Yes. The exemption will be limited to items exclusively purchased or leased in Georgia for production use in Georgia.



I plan to purchase wardrobe in Georgia for a project that I will shoot in Georgia and California. I'll need to have the actors in the same wardrobe in both places. Will the wardrobe be covered as an exemption? No. The exemption is limited to items exclusively purchased or leased in Georgia for production use in Georgia.

Will everyone on my crew be issued an exemption card? If not, who will receive exemption cards? There is no exemption card issued. A certificate of exemption signed by the Sales Tax Division director is issued with a list of exempt items. It may be photocopied for submission to suppliers.

Do I need to save my receipts to show that I made qualified purchases? Yes. At the time of audit, purchase documents will be reviewed.

Does “certified production” include any print, still shoot work, training or student films? No.

Do you need specifics regarding the exact types of equipment I'll be renting or purchasing? How much detail will you need?

Yes. A brief description of the requested equipment and anticipated cost must be submitted with the application. Please see the list of qualified production materials and services in this brochure.

What if the project is not finished due to a funding or casting problem? If the timeframe changes, you may request a revised Certificate of Exemption by contacting the Georgia Department of Revenue.



For more information, please visit
www.georgia.org/entertainmentindustry or call 404.962.4052
email: film@georgia.org

Georgia Department of Economic Development
Georgia Film, Music & Digital Entertainment
75 Fifth Street, N.W. Suite 1200
Atlanta, GA 30308