

13 / 15 / 17% FILM AND TELEVISION PRODUCTION INCENTIVE REQUIREMENTS

Receive **13%** of your total qualified production expenditures for a feature film or television program in the State of Tennessee. At the present time concerts, award shows, music talk shows (*consisting primarily of “b-roll” and interviews*), sporting events, news shows and music videos do not qualify for the incentive.

Plus 2% more if at least 25% of the cast and/or crew are Tennessee residents. (“Day players” and extras are not included in determining the 25%)

Plus 2% more (maximum cash rebate of \$100,000) if the Production Company spends at least \$20,000 per production/per episode for music created by Tennessee residents or for recording music in Tennessee.

The incentive is calculated on the total qualified Tennessee spend with “caps” on the above-the-line Tennessee spend. *All above the line personnel, with either single or multiple job functions, will have a salary and fee cap of \$100,000 for each function performed within a production.*

*IT IS HIGHLY RECOMMENDED THAT ALL PRODUCTION COMPANIES CONTACT THE TENNESSEE FILM, ENTERTAINMENT & MUSIC COMMISSION TO DISCUSS THEIR PROJECT AND INCENTIVE ELIGIBILITY **BEFORE** APPLYING.*

REQUIREMENTS

- A Production Company headquartered outside the state must spend at least \$500,000 per production/per episode, and a Production Company headquartered within the state must spend at least \$200,000 per production/per episode, on qualified expenditures in Tennessee *within 12 months after Certificate of Conditional Eligibility is issued*. If for some reason the production can not be completed within 12 months, an extension may be granted in writing by the Executive Director of the Tennessee Film, Entertainment & Music Commission.
- Pre-production/Production must begin within 90 days of TFEMC’s certification that the Production Company qualifies for an incentive, unless an extension has been granted in writing by the Executive Director of the TFEMC. **Certification should be done prior to making any production related expenses in the state.**
- *PRIOR TO THE START OF PRE-PRODUCTION, A MEETING **MUST** TAKE PLACE BETWEEN THE TFEMC (WHICH MAY ALSO INCLUDE THE DEPARTMENT OF REVENUE), THE HEAD ACCOUNTANT, LINE PRODUCER AND/OR UNIT PRODUCTION MANAGER AND/OR PRODUCTION SUPERVISOR..*
- All productions must submit final application package within 15 months from the date the Certificate of Conditional Eligibility is issued, unless an extension has been granted in writing by the Executive Director of the Tennessee Film, Entertainment & Music Commission.
- The Production Company must provide the Tennessee Film, Entertainment and Music Commission (TFEMC) adequate assurances (financial and otherwise) of their ability to complete production. In order to apply for the incentive (Form A) a production should be greenlit/fully-funded.
- **Should there be an anticipated increase in the production’s budget and TN spend, please apprise the TFEMC in writing.** Failure to do so could potentially impact the amount of incentive funds available to your production.
- Script and resulting production must not be obscene in nature, and the Production Company must affirm that the production does not require that records be maintained pursuant to 18 U.S.C. Sec. 2257 with respect to any performer portrayed therein.

- All obligations incurred in state must be satisfied. Upon the completion of principal photography, the Production Company must post a notice, once a week for 3 consecutive weeks, in local newspapers in each Tennessee location where production took place, notifying the public of the need to file creditor claims with the Production Company by a specified date. The Production Company agrees that outstanding obligations are not waived by a creditor failing to file such claim by the specified date. The Production Company will not be entitled to receive any incentives, nor will they file any of their claims therefor with the state, until the Tennessee Department of Revenue notifies TFEMC that the Production Company has complied with all its obligations under this program.
- The Production Company shall maintain a detailed account (ledger), in print and electronic form (Excel or Access – *see Data Requirements*) of all expenditures incurred in Tennessee. Full vendor names and addresses must be clearly indicated and visible. The Production Company shall keep copies of receipts and other satisfactory documentation of ALL monies spent in Tennessee. All financials will be audited by TFEMC, the Tennessee Department of Revenue, and/or the Department of Economic Community and Development.
- The Production Company shall have each Tennessee resident, engaged for the production, complete and execute a Declaration of Residency form. In determining whether 25% Tennessee cast and/or crew threshold achieved, extras and day players shall be excluded.
- The production must be completed, and TFEMC must be shown the completed production and given a copy (upon completion) prior to the Production Company being entitled to any incentives hereunder.
- The Production Company must provide appropriate production credits to the Governor and the State of Tennessee, TFEMC, and the regional film commission(s) (if applicable) providing services to the Production Company, as well as an acknowledgement that the production was filmed/videotaped in the State of Tennessee.
- The Production Company must provide TFEMC with complete crew and vendor lists for the production, along with a final copy of the budget and payroll expenses.
- The production must comply with all applicable State and Federal laws.
- The Production Company must agree to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Production Company, its employees, or any person acting for or on its or their behalf relating to the production.

DETERMINATION OF INCENTIVE:

- This is not a “first come, first serve” program nor one of unlimited resources. All applications will be reviewed by the Economic and Community Development Loans and Grants Committee and applicants will be notified of the committee’s decision. Currently the incentive fund available is approximately \$20,000,000. The TFEMC and the Tennessee Department of Economic and Community Development shall have the sole discretion of awarding these incentives, in furtherance of the best interests of the State of Tennessee, which would include, but not be limited to, job creation and training, economic growth and new business opportunities.

Generally, the criteria for the Film and Television Production Incentive will be as described herein. However, where it is determined that a production will have a beneficial impact on the film industry and the economy of the State, the TFEMC, along with the Loans and Grants Committee, shall have the discretion to deviate from the criteria for the Film and Television Production Incentive. Please note that this discretion does not apply to the headquarters refund. The TFEMC, along with the Loans and Grants Committee, also has discretion for areas where the State of Tennessee does not have key people.