

MASSACHUSETTS FILM OFFICE

PRODUCTION STEP BY STEP GUIDE

NOTE: this document is intended solely as a guide; only the Massachusetts Department of Revenue (DOR) has the authority to determine eligibility and interpret the law governing the Film Production Tax Credit program

FOR YOUR INTERNAL TRACKING PURPOSES ONLY - DO NOT SEND TO MFO

INITIAL CONTACT

STEP 1
DETERMINE
ELIGIBILITY

Review the basic requirements to qualify for the Massachusetts film incentive program:

Does your production meet the definition of a motion picture production?

Feature-length films, videos, digital media projects, TV series with a maximum of 27 episodes, TV pilots and commercials.

Then answer the following:

- Are you a production company?
- Is this production intended for theatrical exhibition, television viewing, or is it a TV pilot?
- Do you plan to spend a **minimum of \$50,000** in Massachusetts?
- 75%* Test: Do you plan to shoot 75%* or more of principal photography days in Massachusetts?

OR

Will your Massachusetts budget exceed 75%* of your total project budget?

Fast Facts provides additional eligibility details. *If you are not certain if you will qualify for one or all three of the film production tax incentives, contact:*

Rules and Regulations - rulesandregs@dor.state.ma.us

***50% threshold increased to 75% as of January 1, 2022**

STEP 2
CONTACT THE
MFO

Contact the **Massachusetts Film Office (MFO)** at (617) 973-8400 to discuss your production. Fill out the **MFO's Film Production Registration Form** (<https://goo.gl/fa6fTw>). If you do not yet have a local production office, this part can be left as a "TBD."

PRIOR TO PRODUCTION

STEP 3
REGISTER WITH
SEC. OF STATE
DEPT. OF
REVENUE (DOR)

If you are a **"foreign" LLC or corporation** (i.e. not domiciled in Massachusetts) register with the Massachusetts Secretary of State's Office. To check if a corporation is already registered with the Secretary of State, go to: <https://bit.ly/3dbnS0A>

Please note: Loan-outs are also required to register.

Are you an LLC?

- **Registration Instructions and Form** (<http://bit.ly/3L4W9QB>)

Are you a Corporation?

- **Registration Instructions and Form** (<https://bit.ly/3Ypk3cg>)

Also, you **must** file an **ANNUAL REPORT**. (**Choose 1 option**)

- **File Online** (<https://cutt.ly/Zu8rOz>)
- **Pre filled Form** (Print & Mail) (<https://cutt.ly/Tu8aGy>)
- **Paper PDF** (Print, Complete. Mail) (<https://goo.gl/uSSmbB>)

In addition, you **MUST register with the Department of Revenue** (<https://goo.gl/NHBczp>) to manage your Massachusetts state tax obligations.

"Foreign" Loan-Outs are also required to follow the same registration procedures.

<p>☐ STEP 4 SALES TAX EXEMPTION</p>	<p>If you meet the 75%* requirement described in Step 1, prior to making purchases in Massachusetts, apply to the (DOR) for your Sales Tax Exemption** (STE) (http://bit.ly/3mxy76f), then download the Sales Tax Exempt Certificate (https://goo.gl/mDNBGD) and provide each vendor with a completed certificate. **Electronic submission is preferred</p> <table border="1" data-bbox="337 262 1550 420"> <thead> <tr> <th colspan="2" data-bbox="337 262 1550 304">Sales Tax Exemption:</th> </tr> <tr> <th data-bbox="337 304 945 346">Eligible:</th> <th data-bbox="945 304 1550 346">Ineligible</th> </tr> </thead> <tbody> <tr> <td data-bbox="337 346 945 420">Production expenses including sales and meals taxes only</td> <td data-bbox="945 346 1550 420">Room occupancy taxes</td> </tr> </tbody> </table> <p data-bbox="349 436 1546 604" style="background-color: #fff9c4; padding: 10px; text-align: center;">NEW Requirements for the STE There is an additional step to the STE filing. A spreadsheet is to be submitted electronically to DOR, listing your employees' name, address, SSN, estimated gross wages, and whether they are hired by the production or through a loan out.</p> <p data-bbox="337 640 1546 819">IMPORTANT NOTE: Whatever date you put on the STE form as your START DATE (<i>it does NOT have to be the date you are sending the form in</i>) – starts the ticking clock of your 12-consecutive months qualifying period. You CAN back date in order for (qualifying) expenses on this production paid prior to the filing of the STE, to qualify. But be aware - that date will formally become the production's start date.</p> <p data-bbox="337 835 1546 903">For tax questions, refer to our FAQs (http://www.mafilm.org/faqs/) For more information, please contact:</p> <table data-bbox="349 913 1534 1102"> <tr> <td data-bbox="349 913 950 1102"> Massachusetts Department of Revenue Film Credit Unit 200 Arlington Street, Room 4300 Chelsea, MA 02150 </td> <td data-bbox="950 913 1534 1102"> Lauren Stille Phone: (617) 887-5216 Email: stille@dor.state.ma.us </td> </tr> </table>	Sales Tax Exemption:		Eligible:	Ineligible	Production expenses including sales and meals taxes only	Room occupancy taxes	Massachusetts Department of Revenue Film Credit Unit 200 Arlington Street, Room 4300 Chelsea, MA 02150	Lauren Stille Phone: (617) 887-5216 Email: stille@dor.state.ma.us
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<p>☐ STEP 5 LOAN OUTS</p>	<p>In order for loan-outs and personal services corporations to qualify for the Tax Credit, MA personal income tax must be withheld and you must file a Loan-Out Affidavit/Allocation Form for each loan-out or personal service company. For more information: Directive 07-01, TIR 7-15, Motion Picture Production Company Withholding and Loan Out Guide.</p>								
<p>☐ STEP 6 TAX AND ACCOUNTING EXPERTS</p>	<p>Figuring out who will be on your tax and accounting team will help you set up your systems properly, making the “back end” of the process much easier. At this juncture, it may be in your best interest to:</p> <ul style="list-style-type: none"> • Determine who you will hire as your Production Accountant (or who will act in this capacity) Local Accountants (https://goo.gl/6qQYQt) • Determine which Payroll Company you will hire (if you are hiring one), Local Payroll Companies (https://goo.gl/xxYKAv) • Choose and speak with the MA licensed CPA who will perform your audit or Agreed Upon Procedures (required if your budget is over \$250,000 – but many productions hire a MA CPA, regardless) Local CPAs/Auditors (https://goo.gl/q7Vr3c) 								
PRODUCTION									
<p>☐ STEP 7 FILM YOUR PRODUCTION</p>	<p>Make your movie, TV show, commercial or digital media project! Be sure to keep all receipts, purchase orders, shipping and travel info as you may need it as proof, should the DOR ask for back up or justification.</p> <p>Don't hesitate to contact the MFO if you need any assistance, we're here to help.</p>								

AFTER ALL SPEND/WORK IN MA INCLUDING MA POST PRODUCTION IS COMPLETED	
<p><input type="checkbox"/> STEP 8 AUDIT/AGREED UPON PROCEDURES</p>	<p>If your project is over \$250,000, you MUST get an independent audit from a MA licensed CPA.</p> <p>For a list of MA CPAs, click here. (https://goo.gl/UMJIwC)</p>
<p><input type="checkbox"/> STEP 9 PROOF OF PAID UNEMPLOYMENT TAXES</p>	<p>You MUST also verify that the production company and/or the payroll company has paid the requisite unemployment taxes. The 940 Certification is generated from your online UI account. (https://goo.gl/VFyT5L)</p> <ul style="list-style-type: none"> ➤ TIR 15-4 (bit.ly/3ATCDAp) ➤ Instructions (http://bit.ly/3GRn9ka) <p>The 940 Certification must include all the production company's Massachusetts payroll, not just payroll associated with the specific film project. In some cases, that will require a 940 Certification from the payroll company, if applicable, and a 940 Certification from the production company. You will also be handing in a certificate from the Department of Unemployment Assistance.</p> <p style="text-align: center;"><i>Questions? Contact Enforcement Staff at (617) 626-5770</i></p>
<p><input type="checkbox"/> STEP 10 FILING FOR YOUR TAX CREDITS*</p>	<p>File** for the appropriate Tax Credits on FORM FP (http://bit.ly/3ZnFtIn) with the DOR. Include completed Loan-Out Affidavit Form(s) (http://bit.ly/3ZKWCvi) for each Loan-Out, 940 Certifications(s), and Audit/AUP if applicable, and read the Instructions on FORM FP (http://bit.ly/3F1mMBM) for additional documents needed.</p> <p>**Electronic submission is preferred</p>
<p><input type="checkbox"/> STEP 11 END CREDITS</p>	<p>Motion pictures filmed or produced in the Commonwealth shall include:</p> <p>“Filmed in the Commonwealth of Massachusetts” in the end credits, as well as the Massachusetts Film Office logo***.</p> <p>***Contact the Massachusetts Film Office for details and an appropriate digital version of the logo.</p>