

NEW JERSEY TAX CREDIT FOR FILMMAKERS



- Qualified production companies can receive a transferable tax credit equal to 35% for qualified cast and crew salaries. This includes ATL/BTL, resident and non-resident employees. 30% for purchases and rentals used **within** the 30 mile radius of Columbus Circle in NYC, and 35% for purchases, rentals and services used **outside** the 30 mile radius of Columbus Circle in NYC.
- To qualify on any individual project, a production company must incur at least 60% of total film production expenses in-state (exclusive of postproduction costs) or incur more than \$1 million in qualified production expenses in single privilege period.
- A production company must begin principal photography within 180 days of the New Jersey Economic Development Authority's receipt of a completed tax credit application.
- Employers must withhold 6.37% New Jersey Gross Income Tax for employees working in the state and 6.37% from each payment to a loan out company or independent contractor. Loan out companies and independent contractors must be registered to do business in New Jersey.
- Excluded are payments in excess of \$750,000 made to highly compensated individuals for costs of a story, script, or scenario used in the production of a film; and for wages or salaries or other compensation for writers, directors, including music directors, producers, and performers.
- Payments to vendors will be qualified only if, at the time of purchase, said vendors are **fully** registered to do business in New Jersey, have obtained a New Jersey tax identification number, **and have a Business Registration Certificate that is available in the portal below:**

https://www1.state.nj.us/TYTR_BRC/jsp/BRCLoginJsp.jsp
- Reality shows do qualify but must hit both qualification thresholds (60% of the total project filmed in NJ and at least \$1 million in qualified spend) and have at least a 6-episode order and is scheduled to premiere on a major linear network or streaming service.

- Production companies can receive an additional credit of either 2% or 4% percent of the qualified film production expenses depending on the goals included in a provided diversity plan; the plan is approved; and the New Jersey Economic Development Authority has verified that the applicant has met or made good faith efforts in achieving the goals stated within the diversity plan.
- The program has an annual cap of \$100 million per fiscal year (July 1- June 30) thru June 30, 2039.
- Digital media projects can receive a 30% tax credit and a 4% diversity bonus if at least 25% of employees are women or minorities.
- A Digital Media – post-production credit is also available. To qualify, a production must incur at least \$500,000 in qualified post-production expenses (including visual effects services). Tax credit amounts include 40% of post-production expenses performed at FLPE or by a studio partner, 35% for qualified independent post-production companies. A 4% diversity bonus is also available.
- Applications will be considered on a first come, first served basis.
- A production company's New Jersey production costs, and in some cases total production costs, must be certified by a New Jersey licensed CPA.

FOR MORE INFORMATION CONTACT:
Jon Crowley, Executive Director
New Jersey Motion Picture & Television Commission
(973) 648-6279
www.film.nj.gov
njfilm@njeda.gov

