Garden State Film and Digital Media Jobs Act

Film General Overview

- Creates a transferable tax credit equal to 30% (35% in the following municipalities: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Mercer, or Salem County) of qualifies production expenses provided the production company meets the following requirements:

  - Incurs at least 60% of total film production expenses in-state (exclusive of postproduction costs) or incurs more than $1 million in qualified production expenses;
  
  - Commences principal photography within 180 days from the original application date or 150 days from the date of approval of the application; and,
  
  - Withholds 6.37% from each payment to a loan out company or independent contractor;
  
  - Excludes payments in excess of $500,000 made to a highly compensated individual for:
    - Costs for a story, script, or scenario used in the production of a film; and,
    - Wages or salaries or other compensation for writers, directors, including music directors, producers, and performers; and,
    - Reality television shows qualify for tax credits only if the production company producing the show has owned or leased a production facility of at least 20,000 sq. ft. for a minimum of 24 months, and has invested at least $3 million in the facility, which must be located in a designated urban enterprise zone.

- Allows the production entity an additional credit equal to 2 percent of the qualified film or digital media production expenses provided that:

  - The application is accompanied by diversity plan;
  
  - The plan is approved; and,
  
  - The authority has verified that the applicant has met or made good faith efforts in achieving the goals stated within the diversity plan.

- Establishes an annual cap of $75 million per fiscal year (July 1-June 30) thru June 30, 2023.
- Digital media projects earn 20%-25% and have different requirements.
- Applications will be considered on a first come, first serve basis.
- A production company’s New Jersey production costs, and in some cases total production costs, must be certified by a New Jersey CPA according to agreed upon procedures.