

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 qualified 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 project 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.