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 $500,000 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 said vendors are registered to do business in New Jersey and have obtained a New Jersey tax identification number.

- 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.
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- 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, 2034.

- Digital media projects can receive a 30%-35% tax credit and have different requirements.

- 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.

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FOR MORE INFORMATION CONTACT:
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