

**15.393 Film, television, and video project promotion program — tax credits and income exclusion.**

1. The department shall establish and administer a film, television, and video project promotion program that provides for the registration of projects to be shot on location in the state. A project that is registered under the program is entitled to the assistance provided in [subsection 2](#). A fee may be charged for registering. The amount of the fee charged for registering shall be determined by the department by rule. Registration fees collected by the department under [this section](#) shall be used to administer the program. The department shall not register a project unless the department determines that all of the following criteria are met:

a. The project is a legitimate effort to produce an entire film, television, or video episode or a film, television, or video segment in the state.

b. The project will include expenditures of at least one hundred thousand dollars in the state and have an economic impact on the economy of the state or locality sufficient to justify assistance under the program.

c. The project will further tourism, economic development, and population retention or growth in the state or locality.

d. Other criteria established by rule relating to the economic impact and promotional aspects of the project on the state or locality.

2. A project registered with the department under the program is eligible for the following assistance:

a. (1) For tax years beginning on or after January 1, 2007, a qualified expenditure tax credit shall be allowed against the taxes imposed in [chapter 422, divisions II, III, and V](#), and in [chapter 432](#), and against the moneys and credits tax imposed in [section 533.329](#), for a portion of a taxpayer's qualified expenditures in a project registered under the program. The tax credit shall equal an amount not to exceed twenty-five percent of the qualified expenditures on a project. The department may negotiate the amount of the tax credit. An individual may claim a tax credit under this paragraph "a" of a partnership, limited liability company, S corporation, estate, or trust electing to have income taxed directly to the individual. The amount claimed by the individual shall be based upon the pro rata share of the individual's earnings from the partnership, limited liability company, S corporation, estate, or trust. Any tax credit in excess of the taxpayer's liability for the tax year may be credited to the tax liability for the following five years or until depleted, whichever is earlier. A tax credit shall not be carried back to a tax year prior to the tax year in which the taxpayer claims the tax credit.

(2) A qualified expenditure by a taxpayer is a payment to an Iowa resident or an Iowa-based business for the sale, rental, or furnishing of tangible personal property or for services directly related to the registered project including but not limited to aircraft, vehicles, equipment, materials, supplies, accounting, animals and animal care, artistic and design services, graphics, construction, data and information services, delivery and pickup services, labor and personnel, lighting, makeup and hairdressing, film, music, photography, sound, video and related services, printing, research, site fees and rental, travel related to Iowa distant locations, trash removal and cleanup, and wardrobe.

(a) For purposes of this subparagraph, "*labor and personnel*" includes compensation paid to the principal producer, principal director, and principal cast members if the principal producer, principal director, or principal cast member is an Iowa resident or an Iowa-based business, and if the compensation paid meets one of the following conditions:

(i) If the qualified expenditures are at least ten million dollars but less than twenty million dollars, the compensation paid to each principal producer, principal director, and principal cast member does not exceed two hundred fifty thousand dollars each.

(ii) If the qualified expenditures are at least twenty million dollars, the compensation paid to each principal producer, principal director, and principal cast member does not exceed one million dollars each.

(b) For purposes of this subparagraph, "*labor and personnel*" includes compensation paid to personnel other than the principal producer, principal director, or principal cast members if the compensation paid meets one of the following conditions:

(i) If the qualified expenditures are less than ten million dollars, the compensation paid to labor and personnel other than the principal producer, the principal director, and principal cast members, does not exceed one hundred fifty thousand dollars each.

(ii) If the qualified expenditures are at least ten million dollars but less than twenty million dollars, the compensation paid to labor and personnel other than the principal producer, the principal director, and the principal cast members, does not exceed two hundred thousand dollars each.

(iii) If the qualified expenditures are at least twenty million dollars, the compensation paid to labor and personnel other than the principal producer, the principal director, and the principal cast members, does not exceed three hundred thousand dollars each.

(c) The department of revenue, in consultation with the department of economic development, shall by rule establish a list of eligible and negotiable expenditures.

(3) After verifying the eligibility for a tax credit under this paragraph "a", the department of economic development shall issue a film, television, and video project promotion program tax credit certificate to be attached to the person's tax return. The tax credit certificate shall contain the taxpayer's name, address, tax identification number, the date of project completion, the amount of credit, other information required by the department of revenue, and a place for the name and tax identification number of a transferee and the amount of the tax credit being transferred. Tax credit certificates issued under this paragraph "a" may be transferred to any person or entity. Within ninety days of transfer, the transferee shall submit the transferred tax credit certificate to the department of revenue along with a statement containing the transferee's name, tax identification number, and address, and the denomination that each replacement tax credit certificate is to carry and any other information required by the department of revenue. Within thirty days of receiving the transferred tax credit certificate and the transferee's statement, the department of revenue shall issue one or more replacement tax credit certificates to the transferee. Each replacement tax credit certificate must contain the information required for the original tax credit certificate and must have the same expiration date that appeared in the transferred tax credit certificate. Tax credit certificate amounts of less than the minimum amount established by rule of the department of economic development shall not be transferable. A tax credit shall not be claimed by a transferee under this paragraph "a" until a replacement tax credit certificate identifying the transferee as the proper holder has been issued. The transferee may use the amount of the tax credit transferred against the taxes imposed in [chapter 422, divisions II, III, and V](#), and in [chapter 432](#), and against the moneys and credits tax imposed in [section 533.329](#), for any tax year the original transferor could have claimed the tax credit. Any consideration received for the transfer of the tax credit shall not be included as income under [chapter 422, divisions II, III, and V](#), under [chapter 432](#), or against the moneys and credits tax imposed in [section 533.329](#). Any consideration paid for the transfer of the tax credit shall not be deducted from income under [chapter 422, divisions II, III, and V](#), under [chapter 432](#), or against the moneys and credits tax imposed in [section 533.329](#).

(4) A taxpayer claiming a tax credit under this paragraph "a", a business in which such taxpayer has an equity interest, and a business in which such taxpayer participates in its management is not eligible to receive the adjusted gross income reduction under paragraph "c".

b. (1) For tax years beginning on or after January 1, 2007, an investment tax credit shall be allowed against the taxes imposed in [chapter 422, divisions II, III, and V](#), and in [chapter 432](#), and against the moneys and credits tax imposed in [section 533.329](#), for a portion of a taxpayer's investment in a project registered under the program. The tax credit shall equal an amount not to exceed twenty-five percent of the qualified expenditures on the project. The department may negotiate the amount of the tax credit. An individual may claim a tax credit under this paragraph of a partnership, limited liability company, S corporation, estate, or trust electing to have income taxed directly to the individual. The amount claimed by the individual shall be based upon the pro rata share of the individual's earnings from the partnership, limited liability company, S corporation, estate, or trust. Any tax credit in excess of the taxpayer's liability for the tax year may be credited to the tax liability for the following

five years or until depleted, whichever is earlier. A tax credit shall not be carried back to a tax year prior to the tax year in which the taxpayer claims the tax credit. A taxpayer shall not claim a tax credit under this paragraph “b” for qualified expenditures for which a tax credit is claimed under paragraph “a”.

(2) After verifying the eligibility for a tax credit under this paragraph “b”, the department of economic development shall issue a film, television, and video project promotion program tax credit certificate to be attached to the person’s tax return. The tax credit certificate shall contain the taxpayer’s name, address, tax identification number, the date of project completion, the amount of credit, other information required by the department of revenue, and a place for the name and tax identification number of a transferee and the amount of the tax credit being transferred. Tax credit certificates issued under this paragraph “b” may be transferred to any person or entity. Within ninety days of transfer, the transferee shall submit the transferred tax credit certificate to the department of revenue along with a statement containing the transferee’s name, tax identification number, and address, and the denomination that each replacement tax credit certificate is to carry and any other information required by the department of revenue. Within thirty days of receiving the transferred tax credit certificate and the transferee’s statement, the department of revenue shall issue one or more replacement tax credit certificates to the transferee. Each replacement tax credit certificate must contain the information required for the original tax credit certificate and must have the same expiration date that appeared in the transferred tax credit certificate. Tax credit certificate amounts of less than the minimum amount established by rule of the department of economic development shall not be transferable. A tax credit shall not be claimed by a transferee under this paragraph “b” until a replacement tax credit certificate identifying the transferee as the proper holder has been issued. The transferee may use the amount of the tax credit transferred against the taxes imposed in [chapter 422, divisions II, III, and V](#), and in [chapter 432](#), and against the moneys and credits tax imposed in [section 533.329](#), for any tax year the original transferor could have claimed the tax credit. Any consideration received for the transfer of the tax credit shall not be included as income under [chapter 422, divisions II, III, and V](#), under [chapter 432](#), or against the moneys and credits tax imposed in [section 533.329](#). Any consideration paid for the transfer of the tax credit shall not be deducted from income under [chapter 422, divisions II, III, and V](#), under [chapter 432](#), or against the moneys and credits tax imposed in [section 533.329](#).

c. For the tax year in which a qualified expenditure occurred, and for the ensuing three tax years, a taxpayer may claim a reduction in adjusted gross income not to exceed in a tax year twenty-five percent of the amount of the qualified expenditure for purposes of taxes imposed in [chapter 422, divisions II and III](#), for payments received from the sale, rental, or furnishing of tangible personal property or services directly related to the production of a project registered under [this section](#) which meets the criteria of a qualified expenditure under paragraph “a”, subparagraph (2).

3. The department shall promote the program and the assistance available under the program on an internet website.

4. A project that depicts or describes any obscene material, as defined in [section 728.1](#), shall not be eligible to receive assistance under [this section](#).

2007 Acts, ch 162, §3, 13; 2007 Acts, ch 174, §99; 2008 Acts, ch 1032, §4, 5; 2008 Acts, ch 1122, §3; 2009 Acts, ch 109, §1 – 6

Referred to in [§15.119](#), [422.7](#), [422.11T](#), [422.11U](#), [422.33](#), [422.35](#), [422.60](#), [432.12J](#), [432.12K](#), [533.329](#)

For aggregate limitations on amount of tax credits, see [§15.119](#)

Section takes effect May 17, 2007, and applies retroactively to tax years beginning on or after January 1, 2007; 2007 Acts, ch 162, §13  
2009 amendments to this section apply to projects registered on or after July 1, 2009; 2009 Acts, ch 109, §6