

## Massachusetts Resources

Massachusetts' diverse locations and unique topology are guaranteed to suit your production needs from the Freedom Trail with its historic landmarks to the large Mills that gave birth to the Labor movement to downtown Boston's modern skyscrapers - from the white sands of Cape Cod to the vibrant fire red, orange and yellow autumn colors of the Berkshire mountains.

**Tobolsky & Wachslers CPAs specializes in audits of the MA Film Tax Credits.** In conducting these audits, we have observed:

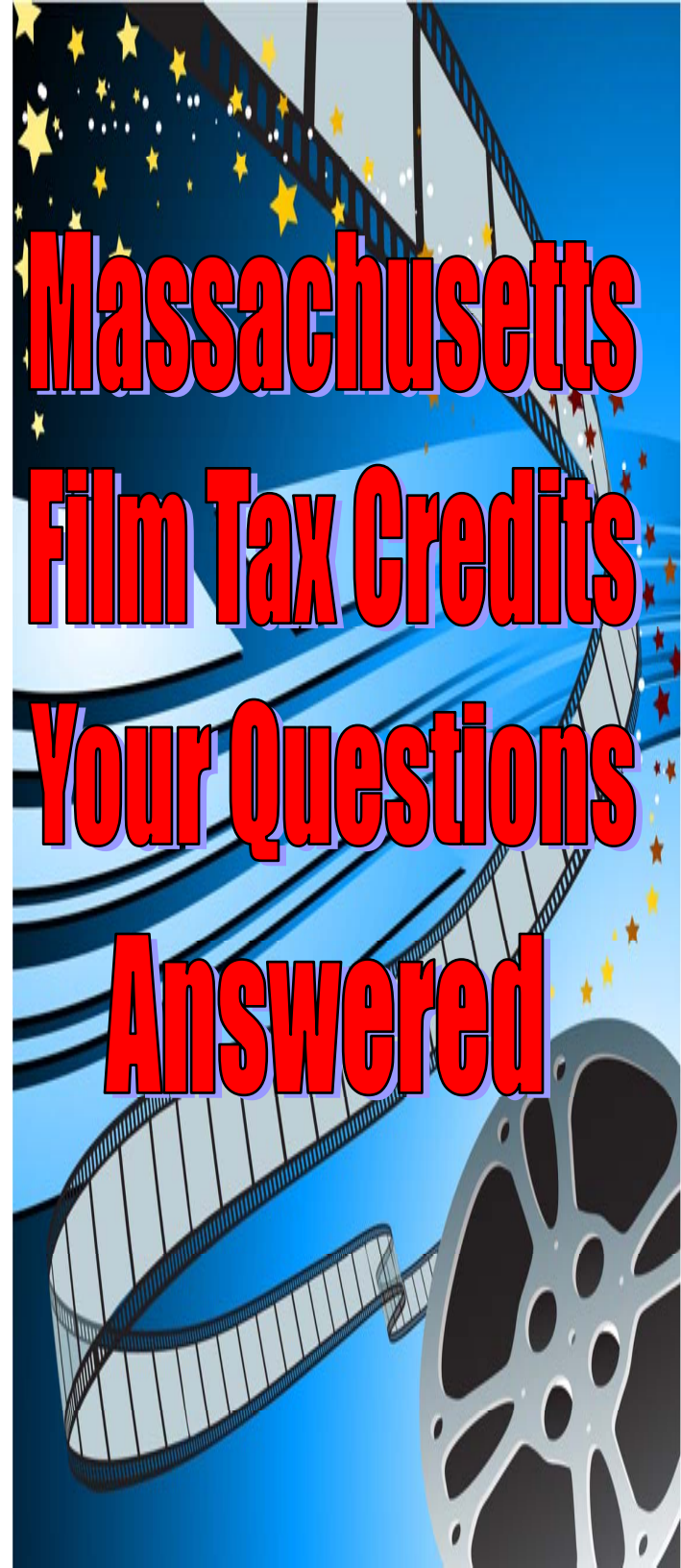
- Massachusetts has a **deep crew base** - most employees hired are **local residents**
- Most rental equipment packages - camera, grip, lighting, sound, etc. are rented from **local vendors**



Beacon Hill, Boston MA

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**Massachusetts Film Tax Credits  
Your Questions Answered**



**Massachusetts  
Film Tax Credits  
Your Questions  
Answered**

# MASSACHUSETTS FILM TAX CREDITS -- YOUR QUESTIONS ANSWERED



offers a generous

**tax credit of 25% for both above and below the line** qualifying production expenses incurred in the State.

- Includes cost of rental equipment brought into Massachusetts
- Exempt from paying sales & use tax on items purchased for the production
- Exempt from paying meals tax on crew meals
- Must spend > \$50K on production expenses within a 12-month period
- Productions spend > \$250K require an audit / agreed-upon procedures performed by Massachusetts-based CPA
- Film tax credit is transferable **or** receive 90% cash rebate

## What Expenses Qualify?

Most expenses spent in making the production anywhere within Massachusetts qualify. To qualify, at least 50% of the expenses incurred must be spent in Massachusetts **or** 50% of the total principal photography days must be shot in the State.

The Film Tax Credit consists of two expense components - Payroll and Production.

## Payroll Expenses

- Each employee's salary < \$1 million
- Employee must work in MA
- Must withhold MA state taxes
- Fringe benefits paid to employees (transportation, box rentals, etc.)

- **Loan-out** companies must register with MA Dept. of Revenue



Holyoke MA

## Production Expenses

Individual employees whose salary exceeds \$1 million qualify as a production expense. **Employer-paid** expenses, such as FICA, Medicare, pension, etc. also qualify.

Most expenses incurred in making the production in Massachusetts qualify as production expenses.

## Travel Expenses

In order to qualify, travel **must** originate and conclude in MA, i.e. roundtrip airfare from Boston to Los Angeles does not qualify.

## Expenses that Do Not Qualify

- Marketing / advertising costs
- Insurance
- Loan fees, completion bond expenses & interest expenses
- Archival materials & stock footage



Rockport MA