

NEW YORK STATE VFX TAX INCENTIVES

NEW YORK STATE OFFERS SEVERAL PROGRAMS TO THE FILM AND TELEVISION INDUSTRY IN THE FORM OF TAX CREDITS AND SALES TAX EXEMPTIONS.

PRODUCTION CREDIT

30% fully refundable tax credit on all qualified production and post-production expenses incurred during production/post production in New York State (including VFX).

POST-PRODUCTION CREDIT

30%-35% on qualified post-production expenses incurred in New York State*. This program is for productions **which are not eligible** for the film & TV production tax credit program.

VISUAL EFFECTS CREDIT

30%-35% on qualified visual effects expenses incurred in New York State**. This program is for productions **which are not eligible** for the film & TV production tax credit program.

* **30% tax credit** on qualified post-production expenses incurred within the New York Metro, 35% tax credit on post-production expenses incurred outside of the New York Metro Area

** **30% tax credit** on qualified visual effects expenses incurred within the New York Metro and 35% tax credit on visual effects expenses incurred outside of the New York Metro Area

*** For the period 2015-2019, productions with budgets over \$500,000 can receive an additional 10 percent credit on qualified labor expenses incurred in the following counties:

Albany, Allegany, Broome, Cattaraugus, Cayuga, Chautauqua, Chemung, Chenango, Clinton, Cortland, Delaware, Erie, Essex, Franklin, Fulton, Genesee, Hamilton, Herkimer, Jefferson, Lewis, Livingston, Madison, Monroe, Montgomery, Niagara, Oneida, Onondaga, Ontario, Orleans, Oswego, Otsego, Schenectady, Schoharie, Schuyler, Seneca, St. Lawrence, Steuben, Tioga, Tompkins, Wayne, Wyoming, or Yates.

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New York State has 3 separate incentive programs as it relates to **Scripted Feature Films & Episodic Series**. There is the *Production Incentive*, *Post-Production Incentive*, and *Visual Effects Incentive*. Each incentive program has its own separate qualifications and thresholds to be met. If filing for the Production Incentive AND a project qualifies, then all the thresholds for Post-Production and/or Visual Effects go away and any amount of qualified Post & VFX is eligible for the 30-35% incentive. *This is only the case when filing for the Production Incentive.*

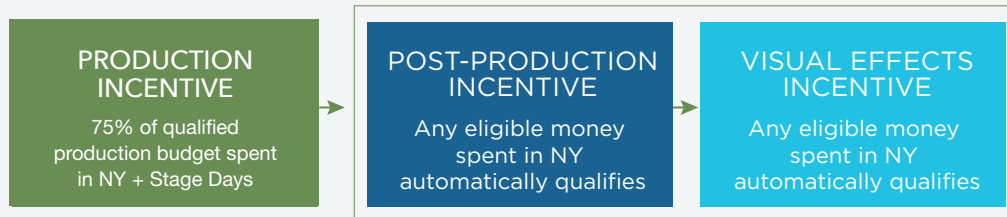
THE SEPARATE INCENTIVES & THEIR THRESHOLDS

(WHEN FILING INDIVIDUALLY):



THE SEPARATE INCENTIVES & THEIR THRESHOLDS

(WHEN ALREADY FILING PRODUCTION INCENTIVE):



It's important to remember that the Post-Production Incentive applies **to all eligible post-production expenses** minus costs for visual effects since visual effects has its own incentive.

We highly recommend you file a Visual Effects Incentive Application, whether or not you are planning to do visual effects in NY or visual effects at all. In our experience, the plan for Visual Effects is always changing and new decisions are made at the very last minute. It doesn't cost anything to file for the Visual Effects Incentive and it shouldn't take more than 30 minutes of your time to complete.

There are only 4 scenarios a production will fall into when it comes to doing VFX in NY. On the next page, we've illustrated each of those scenarios to help you determine which one your production falls in. This will help you determine how you can take advantage of the NY tax incentives specific for Visual Effects.

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SCENARIO 1



Qualifications	75% Production Budget Spent in NYS	Any eligible Post-Production money spent in NYS	Any eligible Visual Effects money spent in NYS
Application Type	Production Application	Production Application	Production Application
Deadline	60 Days prior to start of principal photography	Part of initial production filing	Part of initial production filing

SCENARIO 2



Qualifications	75% Production Budget Spent in NYS	Posted Outside of NYS	Any eligible Visual Effects money spent in NYS
Application Type	Production Application	Not Qualified	Production Application
Deadline	Prior to start of principal photography	Not Qualified	Part of initial production filing

SCENARIO 3



Qualifications	Shot Outside of NYS	75% of eligible Post-Production budget spent in NYS	20% of VFX budget spent in NYS or \$3M (whichever is less)
Application Type	Not Qualified	Post Application	VFX Application
Deadline	Not Qualified	Before the last day of principal photography	Before VFX work commences

SCENARIO 4



Qualifications	Shot Outside of NYS	Posted Outside of NYS	20% of VFX budget spent in NYS or \$3M (whichever is less)
Application Type	Not Qualified	Not Qualified	VFX Application
Deadline	Not Qualified	Not Qualified	Before VFX work commences