UNDERSTANDING THE GEORGIA FILM TAX CREDIT

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STEPS FOR APPLYING FOR THE GEORGIA FILM TAX CREDIT

1. When to submit an application

The best time to submit the application is when the project is greenlit, fully funded, and ready to open a production office. Applications are available online.

Eligible projects include feature films, television films, pilots, series, commercials, and music videos distributed outside of Georgia. An application must be submitted for each specific project. Production companies must submit completed applications within the following timelines:

Projects Under $100M

- No earlier than **120 days before** principal photography start date.
- No later than **seven calendar days after** principal photography begins in Georgia.

Projects Over $100M

- No earlier than **180 days before** principal photography start date.
- No later than **seven calendar days after** principal photography begins in Georgia.

Required supporting materials: The following materials should be submitted during preproduction in order to complete the application.

- **Script**
- **Proof of funding** that the project has assets that equal or exceed 75% of the total budgeted costs of the project at the time of application. Proof may include, but is not limited to: SAG or IATSE bonds, payroll statements, bank statements, and financing or funding agreements.
- **Media buy** (for televised commercials)
- **Song lyrics** (for music videos)

If applying for the full **30% tax credit (20% base + 10% GEP Logo Uplift)**, both applications must be submitted together.

All applications must be submitted electronically and fully completed – no "TBD" entries accepted. Effective January 1, 2026, projects that otherwise meet certification eligibility requirements but missed the application deadline or failed to comply with statutory requirements at the time of the project's release may have the opportunity to correct the issue by paying a fee. See the fee schedule for missed deadlines.

2. Eligibility review

Once received, applications are reviewed by Georgia Department of Economic Development (GDEcD) to confirm eligibility.

If approved, the production company will receive a **20% Certification Letter** from GDEcD confirming the project meets program requirements.

If the project does not begin principal photography within 30 days of the date stated on the certification letter, amendments to the application must be made in writing to the Georgia Film Office.

For projects that applied for and met the distribution and promotional requirements for the 10% Georgia Entertainment Promotion (GEP) uplift, an additional certification letter stating that they are eligible for the uplift will be provided to the production company by GDEcD.

3. Production in Georgia

Original content is produced in Georgia

4. Post-wrap requirements

The tax credit may not be claimed until the $500,000 minimum spend is met. The audit must be completed, and the tax credits certified by Georgia Department of Revenue in order to claim or transfer the credits. After production wraps, the company must:

- Fulfill all reporting requirements
- Submit required documentation to GDEcD
- Complete a mandatory audit with the Georgia Department of Revenue (GDOR)

GDOR will issue a letter confirming the final tax credit amount earned.

If applying for the additional 10% Georgia Entertainment Promotion (GEP) Logo Uplift

- Submit the **10% Distribution Form (GDEcD – D Distribution)** electronically on or after date of distribution and once the agreed upon logo/promotional requirements have been met and independently verified by GDEcD.
- Ensure all required 20% certification materials are already on file.
- GDEcD will notify Georgia Department of Revenue once requirements are met.
- Georgia Film Office will issue additional certification of the 10% credit to production company.

Qualified Expenditures

Qualified expenditures include materials, services, and labor, and apply equally to Georgia residents and non-residents. Eligible labor costs include payroll and employer-paid FICA, SUI, and FUI for time worked in Georgia. **Development costs, marketing and promotion, story rights, and most fees are not qualified expenditures.**

FICA, SUI, and FUI are qualified expenditures but must be attributed to Georgia in accordance with Revenue Regulation 560-7-8-.45.

Hotel and meal per diems incurred in Georgia are qualified expenditures up to the applicable United States General Services Administration (GSA) rate. Any amount above the GSA rate must be included in the loan-out company's or individual's taxable income to qualify.

Union pension, health, and welfare contributions are qualified expenditures when paid as part of compensation. These payments are not required to be made to a Georgia-based vendor; however, they must be attributed to Georgia under Revenue Regulation 560-7-8-.45.

Similarly, health insurance premiums paid as part of union pension, health, and welfare contributions qualify, are not required to be paid to a Georgia-based insurance company, and must be attributed to Georgia under Revenue Regulation 560-7-8-.45.

Service fees paid to a payroll company – including workers' compensation – qualify as expenditures only if the payroll company is a Georgia vendor and only to the extent the services are rendered in Georgia. Payroll processing fees follow the same requirement.

If a production flies out of state, and uses a Georgia company to purchase the airline tickets, a round-trip airfare will qualify as a production expenditure. To be directly associated, a flight must transport someone to the qualified production activity in Georgia and then return them to their point of origin. If a crew member was flown out of Georgia to another location to work, and flown back to Georgia, neither leg of the flight would qualify for the film tax credit.

Insurance companies and travel agency fees can qualify as expenditures **IF** they meet the Georgia vendor requirement.

Salary cap: There is a $500,000 per person, per production salary cap for individuals paid by W-2 ("salary"). There is no salary cap for individuals paid via 1099, personal services contract, or loanout; however, Georgia income tax must be withheld and remitted for those payments to qualify for the Film Tax Credit.

Wages paid on behalf of the production company by an out-of-state payroll company to an individual working in Georgia on a certified production qualify for the time worked in Georgia.

"Loanouts"

Compensation paid to a director, actor, or other production personnel through a loan-out company qualifies for the Georgia film tax credit for services performed in Georgia, provided Georgia income tax is properly withheld and reported through the Georgia Tax Center.

To be treated as a qualified expenditure, the production company must withhold and remit Georgia income tax on payments for services performed in Georgia at the rate imposed under O.C.G.A. § 48-7-21(a). This requirement applies to payments made to loan-out companies, 1099 individuals, and individuals working under personal services contracts. If an individual meets the criteria of a loan-out and performs services in Georgia, withholding is required in order for the costs to qualify for the credit.

Both the production company and the loan-out company must register electronically through the Georgia Tax Center (no fee required). The production company must register to obtain a film withholding account, and the loan-out company must register to obtain a payroll withholding account. Many payroll service companies handle withholding and reporting on behalf of the production company as part of their services.

For a full list of approved expenditures, visit the GDOR website.

Definition of a Georgia vendor

A Georgia vendor is a business that meets all of the following requirements:

1. Sells or rents the type of property at issue (with an inventory of those goods located in Georgia), or provides a service not performed at the filming site, in its ordinary course of business.
2. Maintains a physical location in Georgia with at least one individual working there on a regular basis. This may include a home-based business that otherwise meets the Georgia vendor requirements.
    - Merely registering with the Georgia Secretary of State or appointing a registered agent does **not** establish a physical Georgia location.
3. Is registered with the Georgia Department of Revenue for collection of sales and use tax, when required under Chapter 8 of Title 48.
4. Holds a valid Georgia local business license. If total purchases from a Georgia vendor exceed $10,000 during the taxable year for a certified project, the production company must obtain a copy of the vendor's business license.
5. For services rendered on set, the individuals or vendors providing those services must be identified in the daily production reports.

A vendor acting solely as a conduit or pass-through to facilitate purchases or rentals that would not otherwise qualify does **not** meet the definition of a Georgia vendor for those transactions.

Understanding How to Use the Tax Credits

Who can use the tax credit?

A production company may **sell or transfer** its Georgia film tax credit to a Georgia taxpayer (individual or corporation).

For companies looking to sell, private companies, not state agencies, handles the brokerage of these credits.

A production company or its payroll service provider may elect to apply the credit against its Georgia withholding account.

- **Disregarded single-member LLC:** The parent company may use the credit against its own Georgia income tax liability.
- **LLC taxed as a corporation:** The credit is claimed at the LLC level and may not be used by the parent company. However, the credit may be assigned to an affiliated entity on the original return (see below).
- **S corporation or partnership:** The credit may pass through to shareholders or partners.

Under O.C.G.A. § 48-7-42, the film tax credit may be assigned to an affiliated entity. If assigned:

- The affiliated entity may use the credit **only against its Georgia income tax liability**.
- The affiliated entity **may not** use the credit against withholding.
- The affiliated entity **may not sell** the credit.

The assignment must be made on or before the due date of the tax return, including extensions.

How do production companies apply the tax credit?

A production company may elect to apply its Georgia film tax credit against its Georgia withholding tax liability. To do so, the production company—or its payroll service provider acting on its behalf—must, for each calendar quarter:

- Electronically file **Form G-7 Film** through the Georgia Tax Center;
- Report required information for any loan-out companies, including name, identification numbers, and the amount of withholding; and
- Provide any additional information required by the Georgia Department of Revenue.

All withholding payments must be remitted electronically via ACH debit or ACH credit, in accordance with Rule 560-3-2-.26.

The filing and payment are due on the last day of the month following the calendar quarter in which the withholding payments were required to be made.

How long do companies have to use credits?

Any unused film tax credit, for the production company or any transferees, can be carried forward for three years from the close of the taxable year in which the film tax credit was issued its final certification.

Any questions specific to the calculation, utilization of, and compliance with the tax credit should be addressed to the Georgia Department of Revenue.