

## **FILM AND TELEVISION PRODUCTION INCENTIVE REQUIREMENTS**

**Receive 17% of your total qualified Tennessee expenditures for production of a feature film, television program, or commercial in the State of Tennessee.**

- A Production Company headquartered outside the state must spend at least \$500,000 per production/per episode, and a Production Company headquartered within the state must spend at least \$150,000 per production/per episode, on qualified expenditures in Tennessee *within 12 months after Certificate of Conditional Eligibility is issued.*
- At the present time concerts, award shows, sporting events, news shows, music videos and music talk shows (*or any project consisting primarily of “b-roll” and interviews*) do NOT qualify for the incentive.
- The incentive is calculated on the total qualified Tennessee spend with “caps” on salaries paid to Tennessee residents. *All personnel will have a salary and fee cap of \$250,000.*
- *IT IS HIGHLY RECOMMENDED THAT ALL PRODUCTION COMPANIES CONTACT THE TENNESSEE FILM, ENTERTAINMENT & MUSIC COMMISSION (TFEMC) TO DISCUSS THEIR PROJECT AND INCENTIVE ELIGIBILITY **BEFORE** APPLYING.*
- **Certification should be done prior to making any production related expenses in the state.**
- Pre-production/Production must begin within 90 days of TFEMC’s certification that the Production Company qualifies for an incentive.
- All productions must submit final application package within 15 months from the date the Certificate of Conditional Eligibility is issued.
- *PRIOR TO THE START OF PRE-PRODUCTION, A MEETING **MUST** TAKE PLACE BETWEEN THE TFEMC, THE DEPARTMENT OF REVENUE, AND THE PRODUCTION STAFF. (HEAD ACCOUNTANT, LINE PRODUCER AND/OR UNIT PRODUCTION MANAGER.)*
- The Production Company must provide the TFEMC adequate assurances (financial and otherwise) of their ability to complete production. In order to apply for the incentive (Form A) a production should be greenlit/fully-funded.
- **Should there be an anticipated increase in the production’s budget and TN spend, please apprise the TFEMC in writing.** Failure to do so could impact the amount of incentive funds available to your production.
- Script and resulting production must not be obscene in nature, and the Production Company must affirm that the production does not require that records be maintained pursuant to 18 U.S.C. Sec. 2257 with respect to any performer portrayed therein.
- All obligations incurred in state must be satisfied. Upon the completion of principal photography, the Production Company must post a notice, once a week for 3 consecutive weeks, in local newspapers in each Tennessee location where production took place, notifying the public of the need to file creditor claims with the Production Company by a specified date. The Production Company agrees that outstanding obligations are not waived by a creditor failing to file such claim by the specified date. The Production Company will not be entitled to receive any incentives, nor will they file any of their claims therefor with the state, until the Tennessee Department of Revenue notifies TFEMC that the Production Company has complied with all its obligations under this program.
- The Production Company shall maintain a detailed account (ledger), in print and electronic form (Excel or Access – *see Data Requirements*) of all expenditures incurred in Tennessee. Full vendor names and addresses must be clearly indicated and visible. The Production Company shall keep copies of receipts and other satisfactory documentation of ALL monies spent in Tennessee. All financials will be audited by TFEMC, the Tennessee Department of Revenue, and/or the Department of Economic Community and Development.

- The Production Company shall have each Tennessee resident, engaged for the production, complete and execute a Declaration of Residency form. A copy of a current, permanent Tennessee Driver's License must be attached, and should have been issued prior to the date pre-production started.
- The production must be completed, and TFEMC must be shown the completed production and given a copy (upon completion) prior to the Production Company being entitled to any incentives hereunder.
- The Production Company must provide appropriate production credits to the Governor and the State of Tennessee, TFEMC, and the regional film commission(s) (if applicable) providing services to the Production Company, as well as an acknowledgement that the production was filmed/videotaped in the State of Tennessee.
- The Production Company must provide TFEMC with complete crew and vendor lists for the production, along with a final copy of the budget and payroll expenses.
- The production must comply with all applicable State and Federal laws.
- The Production Company must agree to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Production Company, its employees, or any person acting for or on its or their behalf relating to the production.

**DETERMINATION OF INCENTIVE:**

- This is not a "first come, first serve" program nor one of unlimited resources. All applications will be reviewed by the Economic and Community Development Loans and Grants Committee and applicants will be notified of the committee's decision. The TFEMC and the Tennessee Department of Economic and Community Development shall have the sole discretion of awarding these incentives, in furtherance of the best interests of the State of Tennessee, which would include, but not be limited to, job creation and training, economic growth and new business opportunities.
- **When submitting the application, the applicant should allow adequate time for the TFEMC to schedule the meeting of the Loans and Grants Committee. NO EXPENSES made prior to certification will be considered qualified expenditures.**

*Generally, the criteria for the Film and Television Production Incentive will be as described herein. However, where it is determined that a production will have a beneficial impact on the film industry and the economy of the State, the TFEMC, along with the Loans and Grants Committee, shall have the discretion to deviate from the criteria for the Film and Television Production Incentive. Please note that this discretion does not apply to the DOR Headquarters Refund. Any exceptions to the incentive program must be made in writing, and will not be considered valid if it has not been agreed upon PRIOR to the start of production, aside from exceptions related to program deadlines.*