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
NEW YORK STATE VFX TAX INCENTIVES

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):

- **Production Incentive**
  - 75% of qualified production budget spent in NY + Stage Days

- **Post-Production Incentive**
  - 75% of qualified post-production budget spent in NY

- **Visual Effects Incentive**
  - 20% of VFX budget spent in NY or $3M (whichever is less)

THE SEPARATE INCENTIVES & THEIR THRESHOLDS
(WHEN ALREADY FILING PRODUCTION INCENTIVE):

- **Production Incentive**
  - 75% of production budget spent in NY

- **Post-Production Incentive**
  - Any eligible money spent in NY automatically qualifies

- **Visual Effects Incentive**
  - Any eligible money spent in NY automatically qualifies

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
Application Type: Production Application
Deadline: 60 Days prior to start of principal photography

Qualifications: Any eligible Post-Production money spent in NYS
Application Type: Production Application
Deadline: Part of initial production filing

Qualifications: Any eligible Visual Effects money spent in NYS
Application Type: Production Application
Deadline: Part of initial production filing

SCENARIO 2

Qualifications: 75% Production Budget Spent in NYS
Application Type: Production Application
Deadline: Prior to start of principal photography

Qualifications: Posted Outside of NYS
Application Type: Not Qualified
Deadline: Not Qualified

Qualifications: Any eligible Visual Effects money spent in NYS
Application Type: Production Application
Deadline: Part of initial production filing

SCENARIO 3

Qualifications: Shot Outside of NYS
Application Type: Not Qualified
Deadline: Not Qualified

Qualifications: 75% of eligible Post-Production budget spent in NYS
Application Type: Post Application
Deadline: Before the last day of principal photography

Qualifications: 20% of VFX budget spent in NYS or $3M (whichever is less)
Application Type: VFX Application
Deadline: Before VFX work commences

SCENARIO 4

Qualifications: Shot Outside of NYS
Application Type: Not Qualified
Deadline: Not Qualified

Qualifications: Posted Outside of NYS
Application Type: Not Qualified
Deadline: Not Qualified

Qualifications: 20% of VFX budget spent in NYS or $3M (whichever is less)
Application Type: VFX Application
Deadline: Before VFX work commences

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