



**PART IV FILM PRODUCTION TAX CREDIT CARRYOVER**

Complete this schedule if the allowable tax credit is less than the total credit available for the current year or if a tax credit was carried forward from a previous tax year. Read the instructions for Part IV before completing this schedule.

	A 2011	B 2012	C 2013	D 2014	E 2015	F 2016	G 2017	H 2018
1. Enter the tax credit calculated for each tax year*								
2. Enter the amount used in tax year:								
a) 2011								
b) 2012								
c) 2013								
d) 2014								
e) 2015								
f) 2016								
g) 2017								
h) 2018								
3. Carryover amount - Line 1 minus Lines 2(a) through 2(h)								
4. Total tax credit carryover, total of line 3, columns A through H . . . . .								
* Exclude the amount of any tax credit carried over from a prior tax year.								

**NOTE:** For tax years and privilege periods after July 1, 2015, no new credits are available. Only credits that were carried forward from tax years or privilege periods prior to July 1, 2015 can be taken.

## Instructions for Form 318

### FILM PRODUCTION TAX CREDIT

---

**PURPOSE OF THIS FORM** - This schedule must be completed by any taxpayer claiming a Film Production Tax Credit and/or credit carry forward as provided for in N.J.S.A. 54:10A-5.39. In general, a credit is allowed in an amount equal to 20% of the qualified film production expenses paid by the taxpayer during the privilege period, provided that at least 60% of the total production expenses (other than post-production) were for services performed or goods used in New Jersey, and provided that the principal photography began within 150 days after the credit application was approved. A credit is also allowed in an amount up to 20% of the qualified digital media content production expenses provided that at least \$2,000,000 of the expenses were for services performed or goods used in New Jersey. This credit may be claimed for qualified film production expenses incurred on or after January 12, 2006 and/or qualified digital media content production expenses incurred on or after January 11, 2008. P.L. 2010, c.20 suspended the film and digital media credit of N.J.S.A. 54:10A-5.39 for fiscal year 2011.

**NOTE:** Only complete the applicable lines from Parts II, III and IV where the full amount of the film production tax credit claimed on the current return is the result of a film production tax credit carried forward from a previous tax year.

---

#### DEFINITIONS:

**Film** - means a feature film, a television series or a television show of 15 minutes or more in length, intended for a national audience. "Film" shall not include a production featuring news, current events, weather and market reports or public programming, talk show, game show, sports event, award show or other gala event, a production that solicits funds, a production containing obscene material as defined under N.J.S.2C:34-2 and N.J.S.2C:34-3, or a production primarily for private, industrial, corporate or institutional purposes.

**Qualified Film Production Expenses** - means an expense incurred in New Jersey for the production of a film including post-production costs incurred in New Jersey. Qualified expenses include but are not limited to wages and salaries of individuals employed in the production of a film on which the New Jersey Gross Income Tax has been paid or is due; the costs of construction, operations, editing, photography, sound synchronization, lighting, wardrobe and accessories and the cost of rental of facilities and equipment. Qualified expenses do not include expenses incurred in marketing or advertising a film.

**Total Film Production Expenses** - means costs for services performed and tangible personal property used or consumed in the production of a film.

**Post-production Costs** - means the cost of the phase of production that follows principal photography, in which raw footage is cut and assembled into a finished film with sound synchronization and visual effects.

**Qualified Digital Media Content Production Expenses** - means an expense incurred in New Jersey for the production of digital media content. Qualified expenses shall include but not be limited to wages and salaries of individuals employed in the production of digital media content on which New Jersey Gross Income tax has been paid or is due; the costs of computer software and hardware, data processing, visualization technologies, sound synchronization, editing and the rental of facilities and equipment. Qualified expenses shall not include expenses incurred in marketing, promotion or advertising digital media or other costs not directly related to the production of digital media content. Costs related to the acquisition or licensing of digital media content by the taxpayer for distribution or incorporation into the taxpayer's digital media content shall not be qualified digital media content production expenses.

**Total Digital Media Content Production Expenses** - means costs for services performed and property used or consumed in the production of digital media content.

#### PART I - QUALIFICATIONS

The answer to all questions must be "YES". If the answer to any of the questions is "NO", the taxpayer is not entitled to the film production tax credit.

#### PART II - CALCULATION OF THE FILM PRODUCTION TAX CREDIT

Follow the instructions on lines 5 through 8 to calculate the total film production tax credit

(over)

**PART III - CALCULATION OF THE ALLOWABLE CREDIT AMOUNT**

a) The allowable film production tax credit is calculated in Part III. The amount of this credit in addition to the amount of any other tax credits is limited to 50% of the taxpayer's total tax liability and cannot exceed an amount which would reduce the total tax liability below the statutory minimum. Taxpayers claiming multiple credits must list any credits already applied to the tax liability to ensure accuracy of the calculation for maximum credit allowable.

b) The minimum tax is assessed based on the New Jersey Gross Receipts as follows:

New Jersey Gross Receipts	CBT-100	CBT-100S
Less than \$100,000	\$500.00	\$375.00
\$100,000 or more but less than \$250,000	\$750.00	\$562.00
\$250,000 or more but less than \$500,000	\$1,000.00	\$750.00
\$500,000 or more but less than \$1,000,000	\$1,500.00	\$1,125.00
\$1,000,000 or more	\$2,000.00	\$1,500.00

provided however that for a taxpayer that is a member of an affiliated or controlled group which has a total payroll of \$5,000,000 or more for the return period, the minimum tax shall be \$2,000. Tax periods of less than 12 months are subject to the higher minimum tax if the prorated total payroll exceeds \$416,667 per month.

c) Line 14 - List the name and the related amount of any other tax credits claimed for the period covered by the return.

**PART IV - FILM PRODUCTION TAX CREDIT CARRYOVER**

The amount of the tax credit that cannot be applied to the current tax period due to the applicable limitations can be carried over to the seven privilege periods following the privilege period for which the credit was allowed. Complete Part IV to validate the tax credit carryover amount.