

10 Best States for Film Tax Incentives & Tax Breaks

Find Incentives

Finding the right film tax incentives for your production can make or break your movie. Movie tax breaks in the right states can help you complete your project on—or even under—budget. Every dollar counts on a film shoot, and a film tax incentive might mean the difference between the perfect location or a reused set.

Let's dig into what states offer the most robust tax breaks for film investors and filmmakers.

Main points

- U.S. film tax incentives vary by state, with California offering non-transferable and transferable credits for high-budget productions.
- Georgia offers a 20% transferable tax credit, increasing by 10% if the film prominently features the state's branding.
- Illinois provides a 30% tax credit on in-state expenditures, including provisions for non-resident actors and crew members.
- New York offers a 30% refundable tax credit, with additional credits for large-budget projects depending on the filming location

First, check out Wrapbook's Production Incentive Center

As you keep reading, it's essential to remember that the info below is not static. All states that offer film tax breaks, including our top 10, are subject to legislative updates.

That's why Wrapbook's [Production Incentive Center](#) can be an invaluable asset as you budget for that next production.

From film tax incentives to commercial rebates and more, our comprehensive and up-to-date Production Incentive Center can provide additional guidance on where to shoot as you explore our top 10 picks and other state options.

1. California

First, let's clarify that you don't have to go down the rabbit hole of exploring all 50 state tax breaks for film industry folks. As of this writing, a full 12 states don't offer [any incentives](#) at all. That takes us down to just [38 state options](#).

And at the top of that list is none other than Hollywood's home: [California](#).

Film Tax Breaks Offered: Non-Transferable, Non-Refundable Tax Credit (Studio) / Fully Transferable Tax Credit (Independent)

Minimum Spend: \$1 million

Annual Cap: \$330 million

Project Cap: \$25 million

State Site: <https://film.ca.gov/tax-credit/>

A wide variety of productions can qualify for California's 20% non-transferable movie tax breaks. For films specifically, this means feature projects *not* considered independent movies.

But to get that break, the production must spend a minimum of 75% of its budget in the state *or* have a minimum of 75% of its principal photography days occurring in California.

Independent films are automatically eligible for a 25% transferable tax credit so long as they abide by the same 75% of budget or 75% of principal photography stipulation stated above.

In addition, both independent films and non-independent feature films can be eligible for what California terms "uplifts." Uplifts are additional tax credits that a production may receive for the following circumstances:

- 5% in additional tax credits for non-independent feature films with in-state visual effects (VFX) expenditures totaling a minimum \$10 million or cost 75% of the total worldwide VFX expenses.
- 5% in additional tax credits for non-independent feature films that take place outside of the [30-mile zone](#). Qualified expenditures may be wage or non-wage based.
- 5% in additional tax credits for independent films with eligible local hires outside the 30-mile zone.
- 10% in additional tax credits for feature films with eligible hires outside the 30-mile zone.

The [California Film Commission Program Guidelines](#) provides additional information on pertinent details such as what are qualified expenditures and eligible hires.

2. Georgia

Welcome to the [Camera Ready State](#)! Georgia's nickname indicates the value of the movie tax breaks for film investors and filmmakers here.

Film Tax Breaks Offered: Transferable Non-Refundable Tax Credit

Minimum Spend: \$500,000

Annual Cap: None

Project Cap: None

State Site: <https://www.georgia.org/industries/film-entertainment/georgia-film-tv-production/production-incentives>

Georgia's cut-and-dry tax breaks for film industry productions translate into a minimum 20% transferable tax credit for eligible projects.

To qualify, all production and post-production expenses must occur in [Georgia](#). In addition, all projects must go through a mandatory auditing process.

As an added bonus, if you decide to use that well-known “Made In Georgia” logo in your film credits and link to the state’s exploregeorgia.org/film URL on your film’s site, the state will give you an additional 10% credit.

3. Illinois

The Land of Lincoln offers productions a whopping 30% tax break on qualified expenditures that take place in-state through its [Illinois Film Production Tax Credit Act](#). What exactly are “qualified expenditures”?

Services purchased from Illinois vendors, personal property attained in-state, or compensation paid to Illinois residents on productions can all go toward tax breaks for film industry productions.

Film Tax Breaks Offered: Transferable Non-Refundable Tax Credit

Minimum Spend: \$100,000

Annual Cap: None

Project Cap: None

State Site: <https://dceo.illinois.gov/whyillinois/film/filmtaxcredit.html>

Some employee payroll exceptions are granted for non-residents in the following roles:

- Cinematographer
- Composer
- Costume designer
- Director
- Editor
- Production accountant
- Production designer
- Screenwriter
- VFX supervisor

What about actors? Tax breaks for film investors and filmmakers still apply, with a few caveats. At most, two non-resident actor salaries can be applied as Illinois expenditures on projects of less than \$25 million, and no more than four non-resident actor salaries can be applied on projects of \$25 million or more.

4. Kentucky

Kentucky’s [movie tax breaks](#) first went into effect in 2009 and have since made the state highly attractive to out-of-town filmmakers.

Film Tax Breaks Offered: Fully Refundable Tax Credit

Minimum Spend: \$250,000 (scripted narrative productions) / \$20,000 (documentaries)

Annual Cap: \$75 million

Project Cap: \$10 million

State Site: https://ced.ky.gov/Locating_Expanding/KE

Projects can receive a 30%–35% fully refundable tax credit for qualified expenditures made in state, translating into it being a popular destination for productions looking for ways to stretch their budgets.

5. Louisiana

Louisiana's Motion Picture Production Incentive Program offers as much as a 40% tax credit for film projects with eligible in-state expenditures. This includes both resident and non-resident labor.

Film Tax Breaks Offered: Non-Transferable, Partly Refundable Tax Credit
Minimum Spend: \$300,000 (out-of-state productions) / \$50,000 (local qualified productions)
Annual Cap: \$150 million
Project Cap: \$20 million
State Site: <https://www.louisianaentertainment.gov/>

That 40% credit breaks down into several categories of movie tax breaks. First, there's the 25% base credit. Then the 10% additional credit for Louisiana screenplay productions. Lastly, projects can receive an additional 5% if production occurs outside the New Orleans Metro Statistical Area.

6. Massachusetts

The Bay State currently offers a 25% payroll credit, 25% production credit, and a sales tax exemption on production expenses for all eligible in-state projects. This includes meals.

Film Tax Breaks Offered: Transferable, Partly Refundable Tax Credit
Minimum Spend: \$50,000
Annual Cap: None
Project Cap: None
State Site: <https://mafilm.org/>

To qualify, the project must have at least 75% of its total production expenses made in Massachusetts.

Can't swing that? You can still qualify for tax breaks so long as a minimum of 75% of all principal photography days take place in the state.

There are no residency requirements for the payroll credit, which can go toward both ATL and BTL salaries.

7. New Jersey

The New Jersey Film & Digital Media Tax Credit Program provides transferable tax breaks for film investors and filmmakers of 30% to 35% on projects. It also includes a bonus for additionally qualifying productions.

Film Tax Breaks Offered: Transferable Non-Refundable Tax Credit
Minimum Spend: \$1 million OR a minimum of 60% of total production expenses to take place in New Jersey
Annual Cap: \$100 million
Project Cap: None
State Site: <https://www.nj.gov/state/njfilm/incentives-credit.shtml>

The [additional incentive](#) of 2% or 4% is given to productions that meet certain diversity criteria. This criterion applies to both on-screen talent as well as the workforce behind the camera, for tax breaks for film investors and filmmakers.

8. New Mexico

Tax breaks for film investors and filmmakers in [New Mexico](#) have led to a rise in interest in filming in the Land of Enchantment.

Film Tax Breaks Offered: Fully Refundable Tax Credit
Minimum Spend: None
Annual Cap: \$120 million (as of 2024)
Project Cap: None
State Site: <https://nmfilm.com/>

As of just July 2023, the updates to the New Mexico Film Production Tax Credit Act mean that qualified productions can get a base credit of 25% and a maximum credit of 40%.

Among those incentives is a 5% credit for productions that use qualified in-state production facilities such as soundstages and standing sets.

Productions can also earn a 10% credit for qualified expenditures a minimum of 60 miles outside the Santa Fe and Albuquerque City Halls.

Lastly, the state provides a 15% non-resident crew exception credit with a cap of 20 [BTL positions](#).

9. New York

Our list of the best tax breaks for film industry productions would not be complete without New York. While known best for Broadway and its [live event presence](#), the Empire State remains a [robust locale for film projects](#).

Film Tax Breaks Offered: Fully Refundable Tax Credit
Minimum Spend: \$250,000 to \$1 million (dependent upon filming location in-state)
Annual Cap: \$700 million
Project Cap: None
State Site: <https://esd.ny.gov/new-york-state-film-tax-credit-program-production>

New York's [Film Production Tax Credit](#) includes [several incentives](#), including a tax credit of 30% for qualified production expenses. These expenses can be certain above-the-line wages, below-the-line wages, and other direct production costs.

Productions with budgets of \$500,000 or more can also be eligible for an additional 10% tax break on qualified expenses for film industry projects, depending on where they shoot in New York.

10. West Virginia

Our list of the 10 best states with tax breaks for film industry productions concludes with the Mountain State.

West Virginia has gone through various periods of providing *and* [not providing tax breaks](#) for film investors and filmmakers, but now is the perfect time for projects to head east. Why?

Film Tax Breaks Offered: Transferable Non-Refundable Tax Credit

Minimum Spend: \$50,000

Annual Cap: None

Project Cap: None

State Site: <https://westvirginia.gov/filmincentives/>

The state currently offers up to 31% in transferable tax credits for qualified in-state expenditures.

This includes a basic 27% base credit and additional 4% credit for productions that hire 10 or more state residents for their projects. These hires can be talent, ABL crew, or BTL crew, just so long as they work full time during principal photography.

Wrapping up

Plenty of states offer tax breaks for film investors and filmmakers. You just need to seek out the location or locations that best suit your project's needs.

Wrapbook's [Production Incentive Center](#) offers [comprehensive insights and tools](#) to help you do just that. Check it out or visit our post on the [film incentives](#) that every state currently offers to compare your options.

Final FAQs

What are the steps for securing state tax credits for film production?

Each state has specific steps to secure its tax credits. They provide a comprehensive guide on how to apply for them.

Do all states offer tax breaks to film productions?

No, not all states have film tax breaks. Those listed above offer the best tax breaks for film productions.

Are there restrictions on the type of films that can receive tax incentives?

Yes. For instance, adult film productions do not receive tax incentives in Louisiana.

What types of tax breaks can a film production get?

Film productions can receive several types of tax breaks. These include:

- Tax Credits
- Cash Rebates
- Grants
- Fee-Free Locations
- Sales Tax Exemptions

Do I need a permit to begin production?

Yes. All states require that you first [receive a filming permit](#) from the relevant agencies before applying for the film incentive programs.