Countries With The Best Film Incentives

Several countries around the world provide government aid for the development, pre-production, production, post-production and distribution of film, documentary, television series, commercials, video games and other audiovisual works. Such “soft money” sources include tax credits and tax shelters, cash rebates and grants, film funds and co-production funding. A Tax Shelter is a government-approved tax incentive program whereby a production company can raise production financing from a country’s taxpayers.

In general, the purpose of these film incentives is to develop, maintain and promote a country’s film industry, improve the attractiveness of the country as a location for filmmaking, promote the country’s culture, history and beauty, and improve the quality, attractiveness and thus the exploitation of supported films. In turn, the country attracts foreign capital and gains from increased economic activity and spend, since qualifying projects have to be filmed, in whole or in part, in the country and make use of the country’s vendors, crew and talent.

The following is a list of “soft money” film financing incentives around the world for filmmakers, for both national and foreign film productions.

Australia

16.5% tax rebate (the Australian Producer Offset) for production of large budget film and television projects (Location Offset), 30% tax rebate for post-production, digital and visual effects (PDV Offset), regardless of where the project is shot. Available to Australian or foreign resident companies with an Australian business number working through a permanent establishment in Australia. Minimum spend: (1) Location Offset: A$15 million for film, A$1 million (avg) per hour for television series, (2) PDF Offset: A$500,000

Austria

20% grant of the production expenses, up to 25% grant for Austrian service production company (service productions). Project cap: €1.1 Million. Available to Austrian productions, Austrian-international co-productions and international productions obliged to work with an Austrian service production company. Austrian productions and Austrian-international co-productions must have a minimum budget of €2.3 million for feature films and of €350,000 for documentaries.

International productions with an Austrian service production company must have a budget of at least €8 Million for feature films, €1 million for documentary. Must shoot a minimum of five (5) days in Austria for feature films. Must pass a “Cultural Test”. “Film Industry Support Austria” (FISA) support can be combined with funding provided by other film subsidy institutions or government authorities. Minimum spend: €1 Million (for service productions)

Belgium

Tax shelter investments: 40-45% tax credit to investors for qualifying expenses. Tax shelter investments are available to European and International productions. To qualify for tax shelter investments, the country of the foreign producer must be under co-production treaty or bilateral agreement with Belgium. Minimum spend: €250,000 (in the Flemish Region).

Economic funds: (1) Up to €400,000 of refundable advances for qualified expenses in the Flemish Region. (2) Up to €500,000 for production expenses in Wallonia (South of Belgium). (3) Up to €500,000 of refundable advances for qualified expenses in the Brussels-Capital Region.

Cultural funds: (1) Flanders Audiovisual Fund (VAF) discretionary grant for expenses in Flanders (Flemish Community) and international co-productions with Flanders-based producers. (2) Centre du Cinéma et de l'Audiovisuel (CCA) discretionary financial grants and advances on receipts for expenses in the French-speaking Community (or "Wallonia-Brussels Federation").

To qualify for these economic and cultural funds, foreign producers can co-produce with a Belgian producer. These co-productions will normally be undertaken within the framework of bilateral co-production agreements signed with countries, such as Canada, China, France, Germany, Italy, Israel, Morocco, Tunisia and Switzerland.

Canada

16% federal tax credit for resident labor, plus tax credits issued by the various Canadian provinces, including the following:

British Columbia: 33% tax credit (35% for Canadian content) for resident labor. Budget must be greater than C$1 million for feature film, C$200,000 per episode for series or pilot over 30 minutes. Minimum spend: C$0

Alberta: (1) 25% grant (26% if shoot more than thirty (30) days in Alberta) for resident labor and vendor services. Alberta company must own less than 50% of the production company. Must have at least 4 resident department heads; or (2) 29% grant (30% if shoot more than thirty (30) days in Alberta) for resident labor and vendor services, if Alberta company owns more than 50% of the production company. Must have at least 8 resident department heads. Minimum spend: C$50,000 for projects with a commercial license agreement, C$100,000 for projects without a commercial license agreement.

China

40% cash rebate, plus 10% business tax rebate of qualifying production expenditures in China's Qingdao Region. At least 50% of qualified spend must be at the Dalian Wanda Studios. Project cap: 120 million RMB. Minimum spend: 30 million RMB
Colombia

40% cash rebate of pre-production, production and post-production expenses for resident labor and vendor services, 20% rebate for “film logistical services” (hotel, food, and transportation), plus 41.23% transferable tax credit on qualifying spend by foreign investor or foreign co-producer. Production company must be at least 20% Colombian-owned. The director and one (1) principal actor (or one (1) principal actor and 2 department heads) must be Colombian. Project cap (for tax credit): US$600,000. Minimum spend: US$600,000

Croatia
20% rebate on expenses for resident labor (cast and crew) and goods and services. Available to Croatian producer, co-producer or production service provider. Must (1) have already secured at least 70% of the financing to cover production costs, (2) pass the cultural test, and (3) cast and crew consist of at least 30% nationals or citizens, for productions filming partially in Croatia, or 50% for productions filming entirely in Croatia. Minimum spend: $0

Discretionary funding is available to co-productions with foreign producers under a bilateral treaty or the European Convention on Cinematographic Co-Production. Croatian share of financing must be at least 10% of the production’s overall budget. Croatia currently has bilateral co-production agreements with Canada, France, Germany and Italy. Minimum spend: 60% of the approved budget

Czech Republic
20% cash rebate on expenses for goods and services provided by residents, plus 66% rebate on withholding tax paid in the Czech Republic on salaries paid to foreign above-the-line talent. Must pass cultural and production test. Minimum spend: US$594,300 for a feature, animated or TV film, US$79,200 for a documentary, US$316,700 for a TV episode, US$39,600 for an episode of animated series.

Dominican Republic
25% transferable tax credit on all development, pre-production, production and post-production expenses incurred in the Dominican Republic. Must include screen credit. Minimum spend US$500,000

Estonia
Up to 30% discretionary cash rebate. The maximum (30%) grant can be applied if the film production uses Estonian-based filmmakers, actors and other production crew, Estonian story and/or Estonian-set storyline.

Tartu Film Fund: 10-20% rebate for eligible expenditure incurred in the Tartu area by local film production companies providing production services to international co-productions. The film fund is capped at €150,000 annually.

Viru Film Fund: discretionary cash rebate or co-financing for qualified expenses incurred in the Eastern region of Estonia, including above and below-the-line expenses (except producer's fee in excess of 7% of the total eligible expenditure). No residency requirements. The film fund is capped at around €50,000 annually. Minimum spend: €0

Fiji

Up to 47% film tax rebate on local spend. Available to fully-funded off-shore productions. Project cap: FJ$28.2 million. Minimum spend: FJ$250,000 for large format films, feature films, short films and television shows, FJ$50,000 for television commercials.
F1/F2 investments: 125% or 150% tax rebate to Fiji investors/taxpayers against their tax liability. Project must be fully financed.

To be eligible for the 125% or 150% tax rebate, production must have (1) distribution in place, and (2) minimum spend of (a) 40% of the budget for a large format film, a feature film or broadcast television programs, (b) 50% of the budget for a direct to video program or video disk program, and (c) 55% of the budget for an audio recording.

Fiji taxpayers can claim the 150% tax deduction if (1) the project is written or based on the creative idea of a citizen or a resident, (2) an audio recording is produced or composed by or is the performance principally of a resident or citizen; (3) computer software is based on the original creative idea developed by a resident or citizen; or (4) the storyline represents a satisfactory portrayal of Fiji, the history or life of the people of Fiji and Fiji's flora and fauna.

France

30% tax rebate of qualified expenditures for international productions. Must pass cultural test. Must shoot a minimum of five (5) days in France for live action, and 50% of the qualified spend for VFX and post-production. No residency requirements for actors and crew (except director and production staff). Project cap: €30 million. Minimum Spend: the lower of €250,000 or 50% of the production budget.

French regional funds: available to 100% French projects or official co-productions (productions based in EU, a European Convention on Cinematographic Co-Production member state, or one of the 56 countries which have co-production agreements or treaties with France, including Canada and UK).

The Automatic Subsidies ("Compte de Soutien"): A percentage of the film's sales revenue from the French box office, video (DVD, Blu-ray, VOD) and TV broadcasting rights.

Sofica Funds: private equity investment for 100% French projects or official co-productions. Available mostly as gap funding. Soficas are equity funds financed with tax-related money, hence, we have placed them in the "soft money" category.

The Advance upon Receipts ("Avance sur Recettes"): A discretionary refundable grant to French-speaking projects, chosen at the script stage for their cultural value.

New Technologies in Production Fund: A subsidy to producers of movie or TV projects who work in 3D, or who use innovative digital technologies (digital visual effects, synthetic, imaging, development of specific processes).

Aide aux Cinemas du Monde (ACM): A discretionary support grant to co-productions for production and post-production. Minimum spend: 50% of the amount of the grant. There is no need to have any financing in place to qualify for the grant. Must be produced under a bilateral or co-production treaty if budget is greater than €2.5 million.

Germany

20% non-repayable grant of the qualified production expenses. The aid may not be cumulated with other state aid. Must pass cultural test. A German producer/applicant must contribute at least 5% of the total production costs.

For international co-productions, a German producer/applicant must (1) provide at least 20% of the total production costs or at least €5 million (if the budget is over €25 million); (2) produce the film either alone or as a co-producer with majority participation (if the international co-production involves a producer from a country which is not an European Economic Area (EEA) member state); and (3) be a person who is co-responsible and actively involved in production of the film.

Project cap: (1) €4 million, or (2) €10 million if (a) the qualified spend is at least 35% of the total production budget, or (b) obtain at least two thirds of the possible total points on the cultural test. Minimum budget: €1 million for feature films, €200,000 for documentary films, €2 million for animated films. Minimum spend: 25% of the budget (20% if budget is more than €20 million). No minimum spend requirement if qualified production costs are at least €15 million.

Hungary

Up to 25% tax rebate in the form of a cash refund (post-financing) on all the direct film production costs (Hungarian or non-Hungarian). However, the non-Hungarian eligible spend is capped at 25% of the Hungarian eligible spend. Must pass a cultural test. To qualify for the full 25% tax rebate, the non-Hungarian spend must be no more than 20% of the total production budget (that is, qualified expenses include some of the services provided by foreign taxpayers, up to 20% of the budget), otherwise there is a reduction in the amount of the incentive.

Project cap: (1) 50% of the production budget, (2) 50% of the Hungarian contribution for international co-productions with a co-producer from a non-EEA Member State, (3) 60% of the Hungarian contribution for international co-productions with a co-producer from another EEA Member State, (4) 100% of the budget or the Hungarian contribution for low-budget films produced in Hungarian language, or (5) 100% of the budget or the Hungarian contribution for documentaries, animation, shorts, experimental films, etc., whether or not produced in Hungarian language.

The Hungarian National Film Fund also provides a discretionary grant to Hungarian companies, Hungarian citizens or resident of a EEA Member state, for script development, project development (to cover pre-production costs) and production (for Hungarian live action, animation and documentary features primarily intended for theatrical release).

Iceland

25% cash rebate or reimbursement on production expenses. Project cap: 85% of the total production budget. Minimum spend: 80% of the total production budget. 35% rebate for productions that shoot for at least 30 working days in the country, create 50 local jobs and have a minimum budget of $2.7 million.
Ireland

Up to 37% tax credit on eligible production, post-production and/or VFX expenses for local and International cast and crew, and goods and services. 90% of the tax credit can be available up front upon proof of either (1) 68% of eligible expenditure is deposited into the project's production account, or (2) production company obtains a completion guarantee, bond, production loan or similar banking instrument secured against the 90% payment of the tax credit. Must pass a cultural test. Project cap: the lower of €70 million or 80% of the total production budget. Minimum budget: €250,000. Minimum spend: €125,000

Italy

Up to 40% tax credit of qualified production expenses. Must pass a cultural test.
Tax shelter investments: Up to 100% of taxable income invested in film production and distribution.

Lithuania

20% tax credit on qualified production expenses. Must pass cultural test. Must shoot a minimum of three (3) days in Lithuania (except for animation). Animation projects require at least 10% of all or at least 20% of two of the following be created or produced in Lithuania: (1) shooting, (2) developing and/or creating visual or graphic design of characters, set and props, (3) compositional layout of a frame, storyboards, and (4) animatic, visual and special effects. At least 51% of the crew must be citizens of Lithuania or of another EEA Member state. Minimum spend: €43,000

Macedonia

20% cash rebate of eligible expenditure, including resident crew labor. Minimum spend €100,000

Malaysia

30% cash rebate on all qualifying expenditure. At least 30% of the production crew must be residents or citizens. Minimum spend (for foreign productions or co-productions): MYR 5 million for production, MYR 1.5 million for post-production, MYR 385,000 per hour for television series

Malta

Up to 40% cash rebate on all eligible expenditure subject to local employment and a cultural test. Minimum spend: the lower of €100,000. No annual capping. Hybrid ATL Cap.

Netherlands

Up to 35% cash rebate for film productions and 30% for high-end TV-series. No cultural test for the cash rebate. International co-productions must be with foreign producer from a country under a bilateral treaty or European Convention on Cinematographic Co-production. Minimum budget of €1 million for feature films and feature-length animated films; €250.000 for feature length documentaries. Project cap: €1.5 million. Minimum spend: €100.000. For high-end TV-series, these minimum production budgets apply: drama series: €12,000 per min., animated series: €8,000 per min., documentary series: €3,500 per min., drama for children: €8,000 per min., single episodes: €1 million. (*Special thanks to Jonathan Mees, Communications manager, Publications & Research, NL Film Fonds*.)

New Zealand

20% cash grant of qualifying production expenditure, 20% cash grant for the first NZ$25 million of post-production, Digital and Visual Effects expenditure and 18% thereafter, plus 5% Uplift for certain projects that can demonstrate significant economic benefits to New Zealand. Minimum spend: NZ$15 million for feature film, NZ$4 million for television and other non-feature film, NZ$500,000 for post, digital and visual effects.

Norway

Up to 25% cash grant of approved production costs. Must pass a cultural and citizenship test. Production must have at least 30% international financing. Minimum total budget of NOK 25 million for feature films, NOK 10 million per episode for drama, NOK 10 million for feature docs, and NOK 5 million per episode for doc series. Minimum spend: NOK 2 million

Zefyr: provides support and investments to audiovisual projects in the west and south of Norway in the form of:

Public funding: NOK 10 million per year in non-recoupable funding. Projects that contribute to the development of producers, directors and screenwriters in the region are prioritized.

Private equity / Gap: NOK 40 million, to be recouped in 1st position / alongside other private investors. Project must be for Norwegian theatrical distribution.

Norwegian Film Institute (NFI): non-recoupable funding up to 50% of the Norwegian part of the budget or €100,000 – €500,000. Available to international co-productions with a Norwegian producer participating as a minority co-producer. Must pass a cultural test.

Panama

15% cash rebate of qualified production costs. Minimum spend: $3 million

Poland

Up to 50% subsidy of the qualified costs for features, documentaries and animated films or up to 70% of the production costs in the case of a difficult film project. For international co-productions, a local producer must contribute a minimum of 20% (in the case of a bilateral co-production) or 10% (in the instance of a multilateral co-production) of the planned costs of the project. Local producer must have a minimum artistic contribution to the project.

Regional Film Funds: up to 50% of the film budget. There are a number of Polish regional film funds that differ in terms of the budgets they manage, the form of support they provide and the sums which must be expended in the city, town or region during the production of the film. Support most often takes the form of the institution managing the fund participating in the production as a co-producer with its own financial contribution or contribution in kind or in the form of non-repayable grants or refunds.
Eurimages European Cinema Support Fund: A conditionally repayable, interest-free loan. Project cap: The lower of 17% of the total production budget or €500,000. Must have at least two independent producers from different member states of the Fund. The combined percentage contribution of co-producers from non-member states of the Fund must not exceed 30% of the total co-production budget.

The European Union's Creative Europe initiative: offers non-repayable grants to producers, distributors, sales agents, and operators of new digital technologies and VoD platforms.

The Polish-German Film Fund: €70,000 subsidy for project development, plus €150,000 for film production. Must be a project development/co-production agreement between at least one Polish producer and one German producer. Can have producers from third countries. Each producer must contribute at least 20% of the total production budget including the subsidy. Supports maximum production budget of €750,000.

Saudi Arabia

Up to 40% cash rebate on pre-production, production and post-production expenses. Minimum spend: $200,000 per fiction feature film; $50,000 per documentary; and $50,000 per animation project. Minimum number of production days to qualify for the cash rebate is 5 days.

Serbia

20% cash rebate on expenses for local goods and services and below-the-line resident labor. Minimum spend: €300,000.00 for feature films, TV films and TV series; €150,000.00 for animated film, audio and/or visual postproduction of an audiovisual work; €100,000.00 for special-purpose film/TV commercials; €50,000.00 for Documentary films. Minimum spend: €0

South Africa
20% of qualified production spend, plus 2.5% for qualified post-production spend of at least R1.5 million (5% if post-production spend is R3 million and above). Project cap: R50 million. Minimum spend: R12 million for production, R1.5 million for post-production

Spain
15% tax deduction (35% in the Canary Islands) of eligible expenditure by foreign productions. Minimum spend: €1,000,000

20% tax deduction on the first €1 million of eligible expenditure and 18% on expenditure above €1 million (40% and 38%, respectively, in the Canary Islands) by local productions and co-productions. Must obtain Spanish nationality and pass a production test. Project cap: 40% of production budget.

The tax deduction is a tax credit deducted from the producer's corporate income tax.

Trinidad & Tobago
Up to 35% cash rebate of qualifying production expenditure (12.5% of US$100,000 – US$499,999; 15% of US$800,000 – US$999,999; 35% of US$1 million – US$8 million), plus 20% on resident above and below-the-line labor. Project cap: US$3,760,000. Minimum spend: US$100,000

United Arab Emirates
30% cash rebate on qualifying production expenditure for goods and services and resident and non-resident below-the-line labor. must shoot a least one (1) day of principal photography in Abu Dhabi. Project cap: US$5 million for feature films (US$250,000 for post-production), US$1 million for television programs or series (US$150,000 for post-production), US$500,000 for commercials (US$150,000 for post-production). Minimum spend: US$70,000 for feature films, US$15,000 for television programs or series, US$10,000 for commercials

United Kingdom
UK Film Tax Relief: Up to 25% cash rebate of qualifying expenditure. Must pass a cultural test or qualify as an official co-production (that is, made under UK's co-production treaties). Project cap: 80% of qualifying expenditure. Minimum spend: 10% of qualifying production expenditure

National Funding: National funding incentives available to international producers include BBC Films, BFI Production & Development Funding, Film4 and Pinewood Pictures.

Regional Funding: Regional incentives include the following:
(1) the Yorkshire Content Fund (will invest the lower of up to 10% of the total production budget or up to £500,000);

(2) Ffilm Cymru Wales Production Funding (provides grants of up to £300,000 for writers, directors and producers who are either born or currently residing in Wales working in English or Welsh);
(3) Creative Scotland Screen Funding (provides single project development Funding of £3,000-£50,000, Slate Development Funding of £50,000-£100,000, production funding of £50,000-£500,000, and distribution and exhibition funding of £5,000 – £15,000);
(4) Northern Ireland Production Funding of a maximum of £800,000 for feature film and television production and £500,000 for interactive content production, up to a ceiling of 25% of the overall project budget. Funding is in the form of a recoupable loan with profit participation or in limited circumstances a grant. Available to productions with more than 65% of funding already in place.

United States

Most of the U.S. film subsidies and soft money sources are found at the state level. In a previous article I shared some information about the best film incentives that are available in the United States. At the federal level, we have the enactment of Section 181 of the Internal Revenue Code, which provides a tax incentive for domestic film and television productions. To find out more, get in touch with our firm.