

# Special Notice

June 9, 2022

## Motion Picture Competitiveness Program B&O tax credit modified (Previously known as the Motion Picture and Film Industries B&O tax credit)

Beginning June 9, 2022, the Motion Picture Competitiveness Program will be modified in the following ways:

- The cap for the statewide program increases from \$3.5 million to \$15 million.
- The cap for individual contributions increases from \$750,000 to \$1 million.
- Credit can be earned for contributions until June 30, 2030.
- Contributors who do not receive funding assistance from the Motion Picture Competitive Program are exempt from filing the Annual Tax Performance Reports when claiming the B&O tax credit.

### What is this tax credit about?

Persons who make a cash contribution to an approved Motion Picture Competitive Program (such as to [Washington Filmworks](#)) can claim this B&O tax credit. You do not need to apply for this B&O tax credit.

The Department of Commerce oversees the Motion Picture Competitiveness Program.

Currently, [Washington Filmworks \(WF\)](#) is the only IRC 501(c)(6) nonprofit organization that qualifies as an approved Motion Picture Competitiveness Program. WF's mission is to create economic development opportunities by building and enhancing the competitiveness, profile, and sustainability of Washington's film industry. WF offers financial assistance to people or groups filming commercials, episodic television, and feature films in Washington.

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For tax assistance or to request this document in an alternate format, visit [dor.wa.gov](http://dor.wa.gov) or call 360-705-6705. Teletype (TTY) users may use the Washington Relay Service by calling 711.

## How do I claim this credit?

To claim the B&O tax credit, you must:

- Make a cash contribution to the program before claiming the credit.
  - The credit you earn is 100% of what you contribute but is capped at \$1 million per calendar year.
  - You are responsible for keeping sufficient records to document your contribution.
- Claim the B&O tax credit for the “motion picture competitiveness program” on returns you file during or after the contribution calendar year.
  - Any credit you earn but do not fully use in the contribution calendar year can be carried forward and claimed up to three (3) consecutive years.
  - You cannot use the credit you earn from contribution in the current calendar year against B&O tax liabilities you had in a previous calendar year.
  - You cannot earn credit for contributions made after June 30, 2030.
  - You cannot claim credits on returns you file after December 31, 2033.
- File your return electronically. See our [“File or amend my return”](#) webpage for more information.
  - File an [Annual Tax Performance Report](#) with Department of Revenue if you claim credit and receive other funding assistance from the program. This report is due by May 31 of the year following the year when you claimed the credit.
  - **NOTE:** If you contribute to the program but do not receive funding assistance from the program, you do not have to file an Annual Tax Performance Report with the Department of Revenue.

### Example

If you made a contribution to Washington Filmworks on June 9, 2022, your cash contribution to the program during 2022 qualifies you for a B&O tax credit.

- Credit you earned in 2022 can be used against the tax liabilities you incurred for periods from January 1, 2022 through December 31, 2025.
- Credit you earned in 2022 cannot be used against a B&O tax liability incurred in a previous year but paid in 2022.

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## What are limitations for claiming this credit?

The law limits the B&O tax credit that you can claim under this program in the following ways:

- **Individual cap:** You may only claim a B&O tax credit of up to \$1 million per calendar year.
  - The amount of B&O tax credit you claim each reporting period cannot exceed the B&O tax due for that reporting period.
  - The total amount of credit claimed cannot exceed the amount of the contribution made.
  - Credits you earned may not be cashed out.
- **Program cap:** This B&O tax credit program is available on a “first-in-time” basis with a maximum credit allowance of \$15 million statewide B&O credit limit per calendar year. If the \$15 million statewide cap is reached, the department will disallow further credit claimed in the calendar year and will notify businesses who have claimed the credit after the statewide cap was reached. The tax due for disallowed credit must be paid within 30 days from the date of the notice.

## More information

See our [Motion Picture Competitiveness Program B&O Tax Credit](#) webpage on dor.wa.gov.

For more information, see [ESHB 1914](#), Chapter 270, Laws of 2022.

For information on the motion picture competitiveness assistance program and filing of the annual Production Survey with the Department of Commerce, please visit WF’s website at <https://www.washingtonfilmworks.org/>.

## Questions?

For assistance with this B&O tax credit, please contact us at 360-705-6214.