

Special Notice

Intended audience: Persons who make a cash contribution to an approved Motion Picture Competitive Program.

Dec. 21, 2023

Motion Picture Competitiveness Program B&O tax credit modified; Annual Tax Performance Report no longer required

Effective July 23, 2023, the Motion Picture Competitiveness Program was modified to remove the requirement for contributors who receive funding assistance from the program to file an Annual Tax Performance report.

About the Motion Picture Competitiveness Program B&O tax credit

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.

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.
- Claim the B&O tax credit for the "motion picture competitiveness program" on returns you

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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 Dec. 31, 2033.

Please note: You are responsible for keeping sufficient records to document your contribution.

- File your return electronically. See our [“File or amend my return”](#) webpage for more information.

Example

If you made a contribution to Washington Filmworks on Jan. 1, 2023, your cash contribution to the program during 2023 qualifies you for a B&O tax credit.

- Credit you earned in 2023 can be used against the tax liabilities you incurred for periods from Jan. 1, 2023, through Dec. 31, 2026.
- Credit you earned in 2023 cannot be used against a B&O tax liability incurred in a previous year.

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:

Effective Date	Individual Contribution Cap	Statewide Program Contribution Cap
July 1, 2017 - June 9, 2022	\$750,000	\$3.5 million
June 9, 2022 – current	\$1 Million	\$15 million

- **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

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cap was reached. The tax due for disallowed credit must be paid within 30 days from the date of the notice.

Annual Tax Performance Report

The requirement to file an Annual Tax Performance Report was modified in the following ways:

- Contributors who receive funding assistance through the Motion Picture Competitiveness Program for the period prior to July 23, 2023, must file an Annual Tax Performance Report by May 31 of the year following the year when credit is claimed.
- Effective July 23, 2023, contributors who receive funding assistance from the Motion Picture Competitiveness Program are no longer required to file the Annual Tax Performance report when claiming the B&O tax credit.
- Effective June 9, 2022, contributors who do not receive funding assistance from the Motion Picture Competitiveness Program are not required to file an Annual Tax Performance Report when claiming the B&O tax credit.

More information

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 washingtonfilmworks.org.

[Substitute Senate Bill \(SSB\) 5565, Chapter 347, Laws of 2023](#)

[RCW 82.04.4489](#)

Questions?

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

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