



Special Notice

WASHINGTON STATE DEPARTMENT OF REVENUE

SEPTEMBER 2017

Motion picture and film industries B&O tax credit modified

A recent law modified the motion picture and film industry tax credit in the following ways:

- extended this incentive program to June 30, 2027, and
- reduced the individual contribution cap from \$1 million dollars to \$750,000.

Any contribution you make through June 30, 2027 qualifies for this credit.

([Substitute Senate Bill 5977](#) amended [RCW 82.04.4489](#))

Do I need to file an application to claim this B&O tax credit?

You do not need to file anything to claim this credit. However, you must make your cash contribution before you claim the credit. The business that makes the contribution is in charge of keeping records that show this contribution.

If you claim this credit, beginning with the 2018 tax return periods, you must file the Annual Tax Performance Report by May 31 of the year following the year when you claimed the credit. See [Tax Incentive Reporting Simplified](#).

What is this tax credit about?

If you contribute to an approved Washington motion picture competitiveness program, you can claim the Washington Motion Picture and Film Industries B&O tax credit.

The Department of Commerce oversees this approval program.

Currently, Washington Filmworks (WF) is the only organization that qualifies as a 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.

PO BOX 47478 | OLYMPIA, WASHINGTON 98504-7478 | 1-800-647-7706 | DOR.WA.GOV

For tax assistance or to request this document in an alternate format, visit <http://dor.wa.gov> or call 1-800-647-7706. Teletype (TTY) users may use the Washington Relay Service by calling 711.

What are my contribution limits?

The law limits your contributions in the following ways:

Individual cap: The law limits the maximum credit your business may earn in a calendar year to the lesser item listed here:

- \$750,000; or
- the full cash contribution amount your business made to WF

Program cap: The statewide program cap for this credit is \$3.5 million. This credit is available on a 'first-in' basis. After we reach the the maximum credit allowance, we send a notice to any business still seeking to claim the tax credit. This gives businesses 30 days to pay the tax due.

How do I claim this B&O tax credit?

To claim this credit, you must:

- Electronically file your return using e-file, our online tax filing system. This includes all returns, forms, and any other appropriate information.
- Claim the credit on returns you filed during or after the contribution calendar year. You may carry unused credit forward for three consecutive years.
- Use credit that you earned in 2017 against tax liabilities you incurred beginning January 2018.
- Not use any newly earned credit for tax liabilities from prior calendar years.

Example: If you made a contribution on January 10, 2018, that contribution qualifies for a credit against tax liabilities incurred from January to December 2018. This credit cannot be used against a tax liability incurred in 2017 but due in 2018. The credit may be used to offset B&O tax due for periods from January 2018 through Dec. 2021.

Any other limits for claiming this tax credit?

- The amount of B&O tax credit that you claim on an excise tax return cannot exceed the B&O tax due for that reporting period.
- You may not cash out credits. We can only apply these credits to outstanding taxes, penalties, or interest.
- You can't earn credit for contributions made after June 30, 2027.
- You can't claim credits on returns you file after December 31, 2030.

Where can I find more information?

Call us at 1-800-647-7706 or see RCW 82.04.4489.