

# PRODUCTION TAX CREDIT AGREEMENT

**PRODUCTION TITLE:** \_\_\_\_\_

THIS AGREEMENT entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2009 by \_\_\_\_\_, ("Company") and the State of New Mexico ("Grantor"), with respect to Company's production of a motion picture currently entitled "\_\_\_\_\_."

The Company and the State of New Mexico agree as follows:

1. To be eligible for the Film Production Tax Credit, a film production company shall submit to the New Mexico Film Division of the Economic Development Department information required by the division to demonstrate conformity with the requirements of this section and shall agree:

- (A) to pay all obligations the film production company has incurred in New Mexico;
- (B) to publish, at completion of principal photography, a notice at least once a week for three consecutive weeks in local newspapers (ads can be of any size and published in the classified or display section) in regions where filming has taken place to notify the public of the need to file creditor claims against the film production company by a specified date;
- (C) that outstanding obligations are not waived should a creditor fail to file by the specified date;
- (D) to delay filing of a claim for the Film Production Tax Credit until the New Mexico Film Division delivers written notification to the Taxation and Revenue Department that the film production company has fulfilled all requirements for the credit;
- (E) to contain an acknowledgment that the production was filmed in New Mexico (if production is a long-form narrative film production)
- (F) that the production is intended for exhibition and reasonable commercial exploitation

2. The New Mexico Film Division shall determine the eligibility of the company and shall report this information to the Taxation and Revenue Department in a manner and at times the Economic Development Department and the Taxation and Revenue Department shall agree upon.

3. To receive a Film Production Tax Credit, a film production company shall apply to the Taxation and Revenue Department on forms and in the manner the Department may prescribe. The application shall include a certification of the amount of direct production expenditures or postproduction expenditures made in New Mexico with respect to the film production for which the film production company is seeking the Film Production Tax Credit. If the requirements of this section have been complied with, the Taxation and Revenue Department shall approve the Film Production Tax Credit and issue a document granting the tax credit.

4. The film production company may apply all or a portion of the Film Production Tax Credit granted against personal income tax liability or corporate income tax liability. If the amount of the Film Production Tax Credit claimed exceeds the film production company's tax liability for the taxable year in which the credit is being claimed, the excess shall be refunded.

**COMPANY:**

Company: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**GRANTOR:**

State of New Mexico

By: \_\_\_\_\_

Date: \_\_\_\_\_