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## Georgia Department of Revenue Informational Bulletin CRED-2013-2-13 Film Tax Credit

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February 13, 2013

**1) Purpose:** This informational bulletin provides examples of vendors that do and do not qualify as a Georgia Vendor under Revenue Regulation 560-7-8-.45 and provides the effective date for the Georgia vendor provisions in Revenue Regulation 560-7-8-.45.

**2) Supersedes:** All previous documents and any oral directives in conflict herewith.

**3) Authority:**

The pertinent parts of Revenue Regulation 560-7-8-.45 are as follows:

(6)(f)3. Purchases and rentals of property. In order to include production expenditures for purchases and rentals of property, the property must have been used in Georgia and purchased or rented from a Georgia vendor. Purchase receipts, invoices, contracts, or other documentation shall be used to determine this.

(6)(f)4. Georgia Vendor. For purposes of this rule, a Georgia vendor is a vendor that:

(i) Sells or rents property or provides a service not performed at the filming site, which is the subject of the production expenditure, in their ordinary course of business; and

(ii) Has a physical location in Georgia with at least one individual working at such location on a regular basis. Registering with the Georgia Secretary of State or appointing a registered agent in Georgia does not establish a physical location in Georgia.

However, a vendor that acts as a conduit to enable purchases and rentals to qualify that would not otherwise qualify shall not be considered a Georgia vendor with respect to such purchases and rentals.

**4) Issue:**

- a) Examples of vendors that do and do not qualify as a Georgia Vendor.
- b) Effective date.

**5) Discussion of Issue:**

a) The following examples help to illustrate which vendors do and do not qualify as a Georgia Vendor. For purposes of all examples it is assumed that each company has a physical location in Georgia with at least one individual working at such location on a regular basis:

1. Company A has an inventory of costumes that it rents and sells to production companies. A production company places an order for a costume that Company A does not carry in its inventory. Company A rents/buys the costume from a company that is not a Georgia vendor in order to fulfill the order from the production company. Company A would be considered a Georgia Vendor for costumes and the amount paid to Company A by the production company for the costume would qualify as a production expenditure for purposes of the Film Tax Credit.
2. Company B has an inventory of cameras that it rents and sells to production companies. A production company places an order for a costume. Company B rents/buys the costume from a company that is not a Georgia vendor in order to fulfill the order from the production company. Company B would not be considered a Georgia Vendor for costumes and the amount paid to Company B by the production company for the costume would not qualify as a production expenditure for purposes of the Film Tax Credit.
3. Company C performs services for production companies. A production company places an order for a costume. Company C rents/buys the costume from a company that is not a Georgia vendor in order to fulfill the order from the production company. Company C would not be considered a Georgia Vendor for costumes and the amount paid to Company C by the production company for the costume would not qualify as a production expenditure for purposes of the Film Tax Credit.
4. Company D performs the service of obtaining purchased and rented goods for production companies. It does not hold an inventory of these goods. A production company places an order for a costume. Company D rents/buys the costume from a company that is not a Georgia vendor in order to fulfill the order from the production company. Company D would not be considered a Georgia Vendor for costumes and the amount paid to Company D by the production company for the costume would not qualify as a production expenditure for purposes of the Film Tax Credit.

b) Effective date.

The effective date of the Georgia vendor provisions in Revenue Regulation 560-7-8-.45 is January 7, 2010. Therefore, all purchases and rentals of property on or after January 7, 2010 must satisfy the requirements in Revenue Regulation 560-7-8-.45(6)(f)3. and (6)(f)4. to qualify as a production expenditure for the Georgia Film Tax Credit. However, a single year project or the first year of a multi-year project that was certified by the Department of Economic Development before January 7, 2010 shall not be required to apply such vendor provisions for such project. Also if a contract was signed before January 7, 2010 with respect to a single year project or the first year of a multi-year project, such project shall not be required to apply such vendor provisions for such contract.

**6) Scope:** An informational bulletin is intended to provide guidance to the public and to Department personnel. It is a written statement issued to apply principles of law to a specific set of facts or a general category of taxpayers. An informational bulletin does not have the force or effect of law, and is not binding on the public. It is, however, the Department's position and is binding on agency personnel until superseded or modified by a change in statute, regulation, court decision, or advisory opinion.

(Last updated: February 13, 2013)

#### **For More Information**

For more information about the Film Tax Credit please reference Regulation 560-7-8-.45:

[http://rules.sos.state.ga.us/cgi-bin/page.cgi?g=DEPARTMENT\\_OF\\_REVENUE%2Findex.html&d=1](http://rules.sos.state.ga.us/cgi-bin/page.cgi?g=DEPARTMENT_OF_REVENUE%2Findex.html&d=1)

**Or you may contact the Taxpayer Services Division at 877-423-6711  
from 8:00 am to 4:30 pm EST, Monday through Friday, excluding holidays.  
Persons with hearing or speech impairments may call our TDD number at 404-417-4302.  
For forms and other information, visit our website ([www.dor.ga.gov](http://www.dor.ga.gov)).**