



**SENATE SUBSTITUTE AMENDMENT 1,
TO SENATE BILL 231**

May 22, 2025 - Offered by Senator BRADLEY.

1 **AN ACT** *to amend* 71.05 (6) (a) 15., 71.10 (4) (i), 71.21 (4) (a), 71.26 (2) (a) 4.,
2 71.30 (3) (f), 71.34 (1k) (g), 71.45 (2) (a) 10. and 71.49 (1) (f); **to create** 13.94 (1)
3 (zm), 15.448, 20.835 (2) (bm), 41.152, 71.07 (5f), 71.07 (5h), 71.10 (4) (fs), 71.10
4 (4) (ft), 71.28 (5f), 71.28 (5h), 71.30 (3) (epr), 71.30 (3) (eps), 71.47 (5f), 71.47
5 (5h), 71.49 (1) (epr) and 71.49 (1) (eps) of the statutes; **relating to:** creating a
6 tax credit for expenses related to film production services and for capital
7 investments made by a film production company, granting rule-making
8 authority, and making an appropriation.

Analysis by the Legislative Reference Bureau

This bill creates income and franchise tax credits for film production companies and creates the State Film Office, attached to the Department of Tourism, to implement the tax credit accreditations and allocations. Under the bill, a film production company may claim a credit in an amount that is equal to 30

percent of the salary or wages paid to the company's employees in the taxable year for services rendered in this state to produce a film, video, broadcast advertisement, or television production, as approved by the State Film Office, and paid to employees who were residents of this state at the time that they were paid. The total amount of the credits that may be claimed by a taxpayer may not exceed an amount that is equal to the first \$250,000 of salary or wages paid to each of the taxpayer's employees in the taxable year, not including the salary or wages paid to the taxpayer's two highest-paid employees in the taxable year, for a production with budgeted expenditures of \$1,000,000 or more. If the total amount of the credits claimed by a taxpayer exceeds the taxpayer's tax liability, the state will not issue a refund, but the taxpayer may carry forward any remaining credit to subsequent taxable years.

Under the bill, a film production company may claim an income and franchise tax credit in an amount that is equal to 30 percent of the production expenditures paid by the company in the taxable year to produce a film, video, broadcast advertisement, or television production. If the total amount of the credits claimed by the company exceeds the company's tax liability, the state will issue a refund.

The bill also allows a film production company to claim an income and franchise tax credit, for the first three taxable years that the company is doing business in this state, in an amount that is equal to 30 percent of the amount that the claimant paid in the taxable year to purchase depreciable tangible personal property or to acquire, construct, rehabilitate, remodel, or repair real property.

Under the bill, a film production company may claim an income and franchise tax credit in an amount that is equal to the amount of sales and use taxes that the claimant paid for tangible personal property and taxable services that are used to produce a film, video, broadcast advertisement, or television production in this state.

The bill provides that the State Film Office may not allocate more than \$10,000,000 in film production and investment tax credits in each fiscal year. The bill also requires the State Film Office to annually submit a report to the legislature that specifies the number of persons who submitted credit applications in the previous year and the amount of the credits allocated to each such applicant and to make recommendations on improving the efficiency of the program. Finally, the bill requires the Legislative Audit Bureau to biennially prepare a performance evaluation audit of the accreditation program implemented by the State Film Office.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

- 1 **SECTION 1.** 13.94 (1) (zm) of the statutes is created to read:
- 2 13.94 (1) (zm) Biennially, beginning in 2027, prepare a performance

1 evaluation audit of the program to accredit productions for purposes of ss. 71.07 (5f)
2 and (5h), 71.28 (5f) and (5h), and 71.47 (5f) and (5h) by the state film office.

3 **SECTION 2.** 15.448 of the statutes is created to read:

4 **15.448 Same; offices. (1)** STATE FILM OFFICE. There is created a state film
5 office in the department of tourism. The director of the office shall be appointed by
6 the secretary of tourism.

7 **SECTION 3.** 20.835 (2) (bm) of the statutes is created to read:

8 20.835 (2) (bm) *Film production services credit.* A sum sufficient to make the
9 payments under ss. 71.07 (5f) (d) 2., 71.28 (5f) (d) 2., and 71.47 (5f) (d) 2.

10 **SECTION 4.** 41.152 of the statutes is created to read:

11 **41.152 Film production tax credits. (1)** The state film office shall
12 implement a program to accredit productions and certify expenses for purposes of
13 ss. 71.07 (5f) and (5h), 71.28 (5f) and (5h), and 71.47 (5f) and (5h). Application for
14 accreditation or certification shall be made to the office in each taxable year for
15 which accreditation or certification is desired.

16 **(2)** If the state film office accredits a production under sub. (1), the office shall
17 determine the amount of the production's production expenditures, as defined in s.
18 71.07 (5f) (a) 4. The state film office shall not issue an accreditation or certification
19 under sub. (1) without first receiving written confirmation from the applicant that
20 the applicant has retained a certified public accountant located in this state to
21 conduct periodic audits to ensure compliance with this section and ss. 71.07 (5f) and
22 (5h), 71.28 (5f) and (5h), and 71.47 (5f) and (5h), as prescribed by rule by the office.
23 An entity applying for a tax credit under s. 71.07 (5f), 71.28 (5f), or 71.47 (5f) that

SECTION 4

1 does not have its commercial domicile in this state shall indicate that on its
2 application along with the amount of production expenditures it anticipates
3 spending in this state and the amount of expenditures, if any, it anticipates
4 spending in another state on the same production.

5 (3) The state film office shall notify the department of revenue of every
6 production accredited under sub. (1), the amount of the production's production
7 expenditures, as defined in s. 71.07 (5f) (a) 4., every certification issued under sub.
8 (1), and the amount of the tax credits under ss. 71.07 (5f) and (5h), 71.28 (5f) and
9 (5h), and 71.47 (5f) and (5h) allocated to the applicant for the taxable year for which
10 the applicant's claim relates. The state film office shall notify the department of
11 revenue under this subsection no later than 30 days after allocating tax credits to
12 an applicant.

13 (4) The state film office may not allocate more than \$10,000,000 in tax credits
14 under ss. 71.07 (5f) and (5h), 71.28 (5f) and (5h), and 71.47 (5f) and (5h) in each
15 fiscal year and no more than \$1,000,000 in tax credits to any single applicant in
16 each fiscal year.

17 (5) Each applicant who produces an accredited production, as defined in s.
18 71.07 (5f) (a) 1., that is eligible for a tax credit under s. 71.07 (5f), 71.28 (5f), or
19 71.47 (5f) shall include in the finished production an acknowledgment to the state
20 of Wisconsin and the state film office as designed by the state film office, including
21 a logo designed by the state film office.

22 (6) Annually, beginning in 2027, the state film office shall prepare a report
23 specifying the number of persons who submitted tax credit applications in the

1 previous year and the amount of the tax credits allocated to each such applicant.
2 The report shall also provide recommendations and suggestions on improving the
3 efficiency of the program implemented under this section. The office shall submit
4 the report to the legislature, in the manner provided under s. 13.172 (2), no later
5 than April 30 each year.

6 (7) The department shall promulgate rules to administer this section.

7 **SECTION 5.** 71.05 (6) (a) 15. of the statutes is amended to read:

8 71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dm),
9 (2dx), (2dy), (3g), (3h), (3n), (3q), (3s), (3t), (3w), (3wm), (3y), (4k), (4n), (5f), (5h),
10 (5i), (5j), (5k), (5r), (5rm), (6n), and (10) and not passed through by a partnership,
11 limited liability company, or tax-option corporation that has added that amount to
12 the partnership's, company's, or tax-option corporation's income under s. 71.21 (4)
13 or 71.34 (1k) (g).

14 **SECTION 6.** 71.07 (5f) of the statutes is created to read:

15 71.07 (5f) FILM PRODUCTION SERVICES CREDIT. (a) *Definitions.* In this
16 subsection:

17 1. "Accredited production" means a film, video, broadcast advertisement, or
18 television production, as approved by the state film office, for which the aggregate
19 salary and wages included in the cost of the production for the period ending 12
20 months after the month in which the principal filming or taping of the production
21 begins exceeds \$100,000 for a production that is 30 minutes or longer or \$50,000 for
22 a production that is less than 30 minutes. "Accredited production" includes a
23 scripted, unscripted, reality, or competition production, but does not include any of
24 the following, regardless of the production costs:

1 a. News, current events, or public programming or a program that includes
2 weather or market reports.

3 b. A talk show.

4 c. A sports event or sports activity.

5 d. A gala presentation or awards show.

6 e. A finished production that solicits funds.

7 f. A production for which the production company is required under 18 USC
8 2257 to maintain records with respect to a performer portrayed in a single media or
9 multimedia program.

10 g. A production produced primarily for industrial, corporate, or institutional
11 purposes.

12 2. "Claimant" means a film production company, as defined in sub. (5h) (a) 2.,
13 that operates an accredited production in this state, if the company owns the
14 copyright in the accredited production or has contracted directly with the copyright
15 owner or a person acting on the owner's behalf and if the company has a viable plan,
16 as determined by the state film office, for the commercial distribution of the
17 finished production.

18 3. "Commercial domicile" means the location from which a trade or business
19 is principally managed and directed, based on any factors the state film office
20 determines are appropriate, including the location where the greatest number of
21 employees of the trade or business work, the trade or business has its office or base
22 of operations, or from which the employees are directed or controlled.

23 4. "Production expenditures" means any expenditures that are incurred in

1 this state and directly used to produce an accredited production, including
2 expenditures for writing, budgeting, casting, location scouts, set construction and
3 operation, wardrobes, makeup, clothing accessories, photography, sound recording,
4 sound synchronization, sound mixing, lighting, editing, film processing, film
5 transferring, special effects, visual effects, renting or leasing facilities or
6 equipment, renting or leasing motor vehicles, food, lodging, and any other similar
7 pre-production, production, and post-production expenditure as determined by the
8 state film office. "Production expenditures" includes expenditures for music that is
9 performed, composed, or recorded by a musician who is a resident of this state or
10 published or distributed by an entity that has its commercial domicile in this state;
11 air travel that is purchased from a travel agency or company that has its commercial
12 domicile in this state; and insurance that is purchased from an insurance agency or
13 company that has its commercial domicile in this state. "Production expenditures"
14 does not include salary or wages or expenditures for the marketing and distribution
15 of an accredited production.

16 (b) *Filing claims.* Subject to the limitations provided in this subsection, for
17 taxable years beginning after December 31, 2025, a claimant may claim as a credit
18 against the tax imposed under s. 71.02 any of the following amounts:

19 1. To the extent the salary or wages are not claimed under subd. 2., an amount
20 equal to 30 percent of the salary or wages paid by the claimant to the claimant's
21 employees in the taxable year for services rendered in this state to produce an
22 accredited production and paid to employees who were residents of this state at the
23 time that they were paid.

1 2. An amount equal to 30 percent of the production expenditures paid by the
2 claimant in the taxable year to produce an accredited production.

3 3. An amount equal to the taxes imposed under ss. 77.52 and 77.53, to the
4 extent those taxes are not used in claiming a credit under subd. 2., that the
5 claimant paid in the taxable year on the purchase of tangible personal property and
6 taxable services that are used directly in producing an accredited production in this
7 state, including all stages from the final script stage to the distribution of the
8 finished production.

9 (c) *Limitations.* 1. No amount of the salary or wages paid under par. (b) 1.
10 may be the basis for a credit under this subsection unless the salary or wages are
11 paid for services rendered after December 31, 2025, and directly incurred to
12 produce the accredited production.

13 2. The total amount of the credits that may be claimed by a claimant under
14 par. (b) 1. shall not exceed an amount equal to the first \$250,000 of salary or wages
15 paid to each of the claimant's employees, as described in par. (b) 1., in the taxable
16 year, not including the salary or wages paid to the claimant's 2 highest-paid
17 employees, as described in par. (b) 1., in the taxable year, if the claimant's budgeted
18 production expenditures are \$1,000,000 or more.

19 3. No credit may be allowed under this subsection unless the claimant files an
20 application with the state film office, at the time and in the manner prescribed by
21 the office, and the office approves the application. The claimant shall submit a copy
22 of the approved application with the claimant's return.

23 4. Partnerships, limited liability companies, and tax-option corporations may

1 not claim the credit under this subsection, but the eligibility for, and the amount of,
2 the credit are based on their payment of amounts under par. (b). A partnership,
3 limited liability company, or tax-option corporation shall compute the amount of
4 credit that each of its partners, members, or shareholders may claim and shall
5 provide that information to each of them. Partners, members of limited liability
6 companies, and shareholders of tax-option corporations may claim the credit in
7 proportion to their ownership interest.

8 (d) *Administration.* 1. Section 71.28 (4) (e), (g), and (h), as it applies to the
9 credit under s. 71.28 (4), applies to the credits under this subsection. Section 71.28
10 (4) (f), as it applies to the credit under s. 71.28 (4), applies to the credits under par.
11 (b) 1. and 3.

12 2. If the allowable amount of the claim under par. (b) 2. exceeds the tax
13 otherwise due under s. 71.02 or no tax is due under s. 71.02, the amount of the
14 claim not used to offset the tax due shall be certified by the department of revenue
15 to the department of administration for payment by check, share draft, or other
16 draft drawn from the appropriation account under s. 20.835 (2) (bm).

17 3. Any person, including a nonprofit entity described in section 501 (c) (3) of
18 the Internal Revenue Code, may sell or otherwise transfer a credit under par. (b) 1.
19 or 3., in whole or in part, to another person who is subject to the taxes imposed
20 under s. 71.02, 71.23, or 71.43, if the person notifies the department of the transfer,
21 and submits with the notification a copy of the transfer documents, and the
22 department certifies ownership of the credit. The transferee may first use the
23 credit to offset tax of the transferor in the taxable year in which the transfer occurs

1 and may use the credit only to offset tax in taxable years in which the credit is
2 otherwise allowed to be claimed and carried forward by the original claimant.

3 4. Notwithstanding s. 71.82, no interest shall be paid on a refund based on an
4 amount certified under this subsection.

5 **SECTION 7.** 71.07 (5h) of the statutes is created to read:

6 71.07 **(5h)** FILM PRODUCTION COMPANY INVESTMENT CREDIT. (a) *Definitions.*

7 In this subsection:

8 1. “Claimant” means a person who files a claim under this subsection and
9 who does business in this state as a film production company.

10 2. “Film production company” means an entity that creates films, videos,
11 broadcast advertisement, or television productions, not including the productions
12 described in sub. (5f) (a) 1. a. to g.

13 3. “Physical work” does not include preliminary activities such as planning,
14 designing, securing financing, researching, developing specifications, or stabilizing
15 property to prevent deterioration.

16 4. “Previously owned property” means real property that the claimant or a
17 related person owned during the 2 years prior to doing business in this state as a
18 film production company and for which the claimant may not deduct a loss from the
19 sale of the property to, or an exchange of the property with, the related person
20 under section 267 of the Internal Revenue Code.

21 5. “Used exclusively” means used to the exclusion of all other uses except for
22 other use not exceeding 5 percent of total use.

23 (b) *Filing claims.* Subject to the limitations provided in this subsection, for

1 taxable years beginning after December 31, 2025, a claimant may claim as a credit
2 against the tax imposed under s. 71.02, up to the amount of the taxes, for the first 3
3 taxable years that the claimant is doing business in this state as a film production
4 company, an amount that is equal to 30 percent of the following that the claimant
5 paid in the taxable year to establish a film production company in this state:

6 1. The purchase price of depreciable, tangible personal property.

7 2. The amount expended to acquire, construct, rehabilitate, remodel, or repair
8 real property.

9 (c) *Limitations.* 1. A claimant may claim the credit under par. (b) 1., if the
10 tangible personal property is purchased after December 31, 2025, and the personal
11 property is used exclusively in the claimant's business as a film production
12 company.

13 2. A claimant may claim the credit under par. (b) 2. for an amount expended to
14 construct, rehabilitate, remodel, or repair real property, if the claimant began the
15 physical work of construction, rehabilitation, remodeling, or repair, or any
16 demolition or destruction in preparation for the physical work, after December 31,
17 2025, or if the completed project is placed in service after December 31, 2025.

18 3. A claimant may claim the credit under par. (b) 2. for an amount expended to
19 acquire real property, if the property is not previously owned property and if the
20 claimant acquires the property after December 31, 2025, or if the completed project
21 is placed in service after December 31, 2025.

22 4. No claim may be allowed under this subsection unless the state film office
23 certifies, in writing, that the credits claimed under this subsection are for expenses

1 related to establishing a film production company in this state and the claimant
2 submits a copy of the certification with the claimant's return.

3 5. No credit may be allowed under this subsection for any amount that the
4 claimant paid for expenses described in par. (b) that the claimant used to claim a
5 credit under sub. (5f).

6 6. Partnerships, limited liability companies, and tax-option corporations may
7 not claim the credit under this subsection, but the eligibility for, and the amount of,
8 the credit are based on their payment of amounts under par. (b). A partnership,
9 limited liability company, or tax-option corporation shall compute the amount of
10 credit that each of its partners, members, or shareholders may claim and shall
11 provide that information to each of them. Partners, members of limited liability
12 companies, and shareholders of tax-option corporations may claim the credit in
13 proportion to their ownership interests.

14 (d) *Administration.* 1. Section 71.28 (4) (e) to (h), as it applies to the credit
15 under s. 71.28 (4), applies to the credits under this subsection.

16 2. Any person, including a nonprofit entity described in section 501 (c) (3) of
17 the Internal Revenue Code, may sell or otherwise transfer a credit under this
18 subsection, in whole or in part, to another person who is subject to the taxes
19 imposed under s. 71.02, 71.23, or 71.43, if the person notifies the department of the
20 transfer, and submits with the notification a copy of the transfer documents, and
21 the department certifies ownership of the credit. The transferee may first use the
22 credit to offset tax of the transferor in the taxable year in which the transfer occurs

1 and may use the credit only to offset tax in taxable years in which the credit is
2 otherwise allowed to be claimed and carried forward by the original claimant.

3 3. Notwithstanding s. 71.82, no interest shall be paid on a refund based on an
4 amount certified under this subsection.

5 **SECTION 8.** 71.10 (4) (fs) of the statutes is created to read:

6 71.10 (4) (fs) Film production company investment credit under s. 71.07 (5h).

7 **SECTION 9.** 71.10 (4) (ft) of the statutes is created to read:

8 71.10 (4) (ft) Film production services credit under s. 71.07 (5f) (b) 1. and 3.

9 **SECTION 10.** 71.10 (4) (i) of the statutes is amended to read:

10 71.10 (4) (i) The total of claim of right credit under s. 71.07 (1), farmland
11 preservation credit under ss. 71.57 to 71.61, farmland preservation credit, 2010 and
12 beyond under s. 71.613, homestead credit under subch. VIII, jobs tax credit under s.
13 71.07 (3q), business development credit under s. 71.07 (3y), research credit under s.
14 71.07 (4k) (e) 2. a., film production services credit under s. 71.07 (5f) (b) 2., veterans
15 and surviving spouses property tax credit under s. 71.07 (6e), enterprise zone jobs
16 credit under s. 71.07 (3w), electronics and information technology manufacturing
17 zone credit under s. 71.07 (3wm), earned income tax credit under s. 71.07 (9e),
18 estimated tax payments under s. 71.09, and taxes withheld under subch. X.

19 **SECTION 11.** 71.21 (4) (a) of the statutes is amended to read:

20 71.21 (4) (a) The amount of the credits computed by a partnership under s.
21 71.07 (2dm), (2dx), (2dy), (3g), (3h), (3n), (3q), (3s), (3t), (3w), (3wm), (3y), (4k), (4n),
22 (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (6n), and (10) and passed through to
23 partners shall be added to the partnership's income.

24 **SECTION 12.** 71.26 (2) (a) 4. of the statutes is amended to read:

1 71.26 (2) (a) 4. Plus the amount of the credit computed under s. 71.28 (1dm),
2 (1dx), (1dy), (3g), (3h), (3n), (3q), (3t), (3w), (3wm), (3y), (5f), (5g), (5h), (5i), (5j), (5k),
3 (5r), (5rm), (6n), and (10) and not passed through by a partnership, limited liability
4 company, or tax-option corporation that has added that amount to the
5 partnership's, limited liability company's, or tax-option corporation's income under
6 s. 71.21 (4) or 71.34 (1k) (g).

7 **SECTION 13.** 71.28 (5f) of the statutes is created to read:

8 71.28 (5f) FILM PRODUCTION SERVICES CREDIT. (a) *Definitions.* In this
9 subsection:

10 1. "Accredited production" means a film, video, broadcast advertisement, or
11 television production, as approved by the state film office, for which the aggregate
12 salary and wages included in the cost of the production for the period ending 12
13 months after the month in which the principal filming or taping of the production
14 begins exceeds \$100,000 for a production that is 30 minutes or longer or \$50,000 for
15 a production that is less than 30 minutes. "Accredited production" includes a
16 scripted, unscripted, reality, or competition production, but does not include any of
17 the following, regardless of the production costs:

18 a. News, current events, or public programming or a program that includes
19 weather or market reports.

20 b. A talk show.

21 c. A sports event or sports activity.

22 d. A gala presentation or awards show.

23 e. A finished production that solicits funds.

24 f. A production for which the production company is required under 18 USC

1 2257 to maintain records with respect to a performer portrayed in a single media or
2 multimedia program.

3 g. A production produced primarily for industrial, corporate, or institutional
4 purposes.

5 2. "Claimant" means a film production company, as defined in sub. (5h) (a) 2.,
6 that operates an accredited production in this state, if the company owns the
7 copyright in the accredited production or has contracted directly with the copyright
8 owner or a person acting on the owner's behalf and if the company has a viable plan,
9 as determined by the state film office, for the commercial distribution of the
10 finished production.

11 3. "Commercial domicile" means the location from which a trade or business
12 is principally managed and directed, based on any factors the state film office
13 determines are appropriate, including the location where the greatest number of
14 employees of the trade or business work, the trade or business has its office or base
15 of operations, or from which the employees are directed or controlled.

16 4. "Production expenditures" means any expenditures that are incurred in
17 this state and directly used to produce an accredited production, including
18 expenditures for writing, budgeting, casting, location scouts, set construction and
19 operation, wardrobes, makeup, clothing accessories, photography, sound recording,
20 sound synchronization, sound mixing, lighting, editing, film processing, film
21 transferring, special effects, visual effects, renting or leasing facilities or
22 equipment, renting or leasing motor vehicles, food, lodging, and any other similar
23 pre-production, production, and post-production expenditure as determined by the

1 state film office. “Production expenditures” includes expenditures for music that is
2 performed, composed, or recorded by a musician who is a resident of this state or
3 published or distributed by an entity that has its commercial domicile in this state;
4 air travel that is purchased from a travel agency or company that has its commercial
5 domicile in this state; and insurance that is purchased from an insurance agency or
6 company that has its commercial domicile in this state. “Production expenditures”
7 does not include salary or wages or expenditures for the marketing and distribution
8 of an accredited production.

9 (b) *Filing claims.* Subject to the limitations provided in this subsection, for
10 taxable years beginning after December 31, 2025, a claimant may claim as a credit
11 against the tax imposed under s. 71.23 any of the following amounts:

12 1. To the extent the salary or wages are not claimed under subd. 2., an amount
13 equal to 30 percent of the salary or wages paid by the claimant to the claimant’s
14 employees in the taxable year for services rendered in this state to produce an
15 accredited production and paid to employees who were residents of this state at the
16 time that they were paid.

17 2. An amount equal to 30 percent of the production expenditures paid by the
18 claimant in the taxable year to produce an accredited production.

19 3. An amount equal to the taxes imposed under ss. 77.52 and 77.53, to the
20 extent those taxes are not used in claiming a credit under subd. 2., that the
21 claimant paid in the taxable year on the purchase of tangible personal property and
22 taxable services that are used directly in producing an accredited production in this

1 state, including all stages from the final script stage to the distribution of the
2 finished production.

3 (c) *Limitations.* 1. No amount of the salary or wages paid under par. (b) 1.
4 may be the basis for a credit under this subsection unless the salary or wages are
5 paid for services rendered after December 31, 2025, and directly incurred to
6 produce the accredited production.

7 2. The total amount of the credits that may be claimed by a claimant under
8 par. (b) 1. shall not exceed an amount equal to the first \$250,000 of salary or wages
9 paid to each of the claimant's employees, as described in par. (b) 1., in the taxable
10 year, not including the salary or wages paid to the claimant's 2 highest-paid
11 employees, as described in par. (b) 1., in the taxable year, if the claimant's budgeted
12 production expenditures are \$1,000,000 or more.

13 3. No credit may be allowed under this subsection unless the claimant files an
14 application with the state film office, at the time and in the manner prescribed by
15 the office, and the office approves the application. The claimant shall submit a copy
16 of the approved application with the claimant's return.

17 4. Partnerships, limited liability companies, and tax-option corporations may
18 not claim the credit under this subsection, but the eligibility for, and the amount of,
19 the credit are based on their payment of amounts under par. (b). A partnership,
20 limited liability company, or tax-option corporation shall compute the amount of
21 credit that each of its partners, members, or shareholders may claim and shall
22 provide that information to each of them. Partners, members of limited liability

1 companies, and shareholders of tax-option corporations may claim the credit in
2 proportion to their ownership interest.

3 (d) *Administration.* 1. Subsection (4) (e), (g), and (h), as it applies to the credit
4 under sub. (4), applies to the credits under this subsection. Subsection (4) (f), as it
5 applies to the credit under sub. (4), applies to the credits under par. (b) 1. and 3.

6 2. If the allowable amount of the claim under par. (b) 2. exceeds the tax
7 otherwise due under s. 71.23 or no tax is due under s. 71.23, the amount of the
8 claim not used to offset the tax due shall be certified by the department of revenue
9 to the department of administration for payment by check, share draft, or other
10 draft drawn from the appropriation account under s. 20.835 (2) (bm).

11 3. Any person, including a nonprofit entity described in section 501 (c) (3) of
12 the Internal Revenue Code, may sell or otherwise transfer a credit under par. (b) 1.
13 or 3., in whole or in part, to another person who is subject to the taxes imposed
14 under s. 71.02, 71.23, or 71.43, if the person notifies the department of the transfer,
15 and submits with the notification a copy of the transfer documents, and the
16 department certifies ownership of the credit. The transferee may first use the
17 credit to offset tax of the transferor in the taxable year in which the transfer occurs
18 and may use the credit only to offset tax in taxable years in which the credit is
19 otherwise allowed to be claimed and carried forward by the original claimant.

20 4. Notwithstanding s. 71.82, no interest shall be paid on a refund based on an
21 amount certified under this subsection.

22 **SECTION 14.** 71.28 (5h) of the statutes is created to read:

1 71.28 **(5h)** FILM PRODUCTION COMPANY INVESTMENT CREDIT. (a) *Definitions.*

2 In this subsection:

3 1. “Claimant” means a person who files a claim under this subsection and
4 who does business in this state as a film production company.

5 2. “Film production company” means an entity that creates films, videos,
6 broadcast advertisement, or television productions, not including the productions
7 described in sub. (5f) (a) 1. a. to g.

8 3. “Physical work” does not include preliminary activities such as planning,
9 designing, securing financing, researching, developing specifications, or stabilizing
10 property to prevent deterioration.

11 4. “Previously owned property” means real property that the claimant or a
12 related person owned during the 2 years prior to doing business in this state as a
13 film production company and for which the claimant may not deduct a loss from the
14 sale of the property to, or an exchange of the property with, the related person
15 under section 267 of the Internal Revenue Code.

16 5. “Used exclusively” means used to the exclusion of all other uses except for
17 other use not exceeding 5 percent of total use.

18 (b) *Filing claims.* Subject to the limitations provided in this subsection, for
19 taxable years beginning after December 31, 2025, a claimant may claim as a credit
20 against the tax imposed under s. 71.23, up to the amount of the taxes, for the first 3
21 taxable years that the claimant is doing business in this state as a film production
22 company, an amount that is equal to 30 percent of the following that the claimant
23 paid in the taxable year to establish a film production company in this state:

1 1. The purchase price of depreciable, tangible personal property.

2 2. The amount expended to acquire, construct, rehabilitate, remodel, or repair
3 real property.

4 (c) *Limitations.* 1. A claimant may claim the credit under par. (b) 1., if the
5 tangible personal property is purchased after December 31, 2025, and the personal
6 property is used exclusively in the claimant's business as a film production
7 company.

8 2. A claimant may claim the credit under par. (b) 2. for an amount expended to
9 construct, rehabilitate, remodel, or repair real property, if the claimant began the
10 physical work of construction, rehabilitation, remodeling, or repair, or any
11 demolition or destruction in preparation for the physical work, after December 31,
12 2025, or if the completed project is placed in service after December 31, 2025.

13 3. A claimant may claim the credit under par. (b) 2. for an amount expended to
14 acquire real property, if the property is not previously owned property and if the
15 claimant acquires the property after December 31, 2025, or if the completed project
16 is placed in service after December 31, 2025.

17 4. No claim may be allowed under this subsection unless the state film office
18 certifies, in writing, that the credits claimed under this subsection are for expenses
19 related to establishing a film production company in this state and the claimant
20 submits a copy of the certification with the claimant's return.

21 5. No credit may be allowed under this subsection for any amount that the
22 claimant paid for expenses described in par. (b) that the claimant used to claim a
23 credit under sub. (5f).

1 6. Partnerships, limited liability companies, and tax-option corporations may
2 not claim the credit under this subsection, but the eligibility for, and the amount of,
3 the credit are based on their payment of amounts under par. (b). A partnership,
4 limited liability company, or tax-option corporation shall compute the amount of
5 credit that each of its partners, members, or shareholders may claim and shall
6 provide that information to each of them. Partners, members of limited liability
7 companies, and shareholders of tax-option corporations may claim the credit in
8 proportion to their ownership interests.

9 (d) *Administration.* 1. Subsection (4) (e) to (h), as it applies to the credit
10 under sub. (4), applies to the credits under this subsection.

11 2. Any person, including a nonprofit entity described in section 501 (c) (3) of
12 the Internal Revenue Code, may sell or otherwise transfer a credit under this
13 subsection, in whole or in part, to another person who is subject to the taxes
14 imposed under s. 71.02, 71.23, or 71.43, if the person notifies the department of the
15 transfer, and submits with the notification a copy of the transfer documents, and
16 the department certifies ownership of the credit. The transferee may first use the
17 credit to offset tax of the transferor in the taxable year in which the transfer occurs
18 and may use the credit only to offset tax in taxable years in which the credit is
19 otherwise allowed to be claimed and carried forward by the original claimant.

20 3. Notwithstanding s. 71.82, no interest shall be paid on a refund based on an
21 amount certified under this subsection.

22 **SECTION 15.** 71.30 (3) (epr) of the statutes is created to read:

1 71.30 (3) (epr) Film production company investment credit under s. 71.28
2 (5h).

3 **SECTION 16.** 71.30 (3) (eps) of the statutes is created to read:

4 71.30 (3) (eps) Film production services credit under s. 71.28 (5f) (b) 1. and 3.

5 **SECTION 17.** 71.30 (3) (f) of the statutes is amended to read:

6 71.30 (3) (f) The total of farmland preservation credit under subch. IX, jobs
7 credit under s. 71.28 (3q), enterprise zone jobs credit under s. 71.28 (3w), electronics
8 and information technology manufacturing zone credit under s. 71.28 (3wm),
9 business development credit under s. 71.28 (3y), research credit under s. 71.28 (4)
10 (k) 1., film production services credit under s. 71.28 (5f) (b) 2., and estimated tax
11 payments under s. 71.29.

12 **SECTION 18.** 71.34 (1k) (g) of the statutes is amended to read:

13 71.34 (1k) (g) An addition shall be made for credits computed by a tax-option
14 corporation under s. 71.28 (1dm), (1dx), (1dy), (3), (3g), (3h), (3n), (3q), (3t), (3w),
15 (3wm), (3y), (4), (5), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (6n), and (10) and
16 passed through to shareholders.

17 **SECTION 19.** 71.45 (2) (a) 10. of the statutes is amended to read:

18 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit
19 computed under s. 71.47 (1dm) to (1dy), (3g), (3h), (3n), (3q), (3w), (3y), (5f), (5g),
20 (5h), (5i), (5j), (5k), (5r), (5rm), (6n), and (10) and not passed through by a
21 partnership, limited liability company, or tax-option corporation that has added
22 that amount to the partnership's, limited liability company's, or tax-option
23 corporation's income under s. 71.21 (4) or 71.34 (1k) (g) and the amount of credit
24 computed under s. 71.47 (3), (3t), (4), (4m), and (5).

1 **SECTION 20.** 71.47 (5f) of the statutes is created to read:

2 **71.47 (5f) FILM PRODUCTION SERVICES CREDIT.** (a) *Definitions.* In this
3 subsection:

4 1. “Accredited production” means a film, video, broadcast advertisement, or
5 television production, as approved by the state film office, for which the aggregate
6 salary and wages included in the cost of the production for the period ending 12
7 months after the month in which the principal filming or taping of the production
8 begins exceeds \$100,000 for a production that is 30 minutes or longer or \$50,000 for
9 a production that is less than 30 minutes. “Accredited production” includes a
10 scripted, unscripted, reality, or competition production, but does not include any of
11 the following, regardless of the production costs:

12 a. News, current events, or public programming or a program that includes
13 weather or market reports.

14 b. A talk show.

15 c. A sports event or sports activity.

16 d. A gala presentation or awards show.

17 e. A finished production that solicits funds.

18 f. A production for which the production company is required under 18 USC
19 2257 to maintain records with respect to a performer portrayed in a single media or
20 multimedia program.

21 g. A production produced primarily for industrial, corporate, or institutional
22 purposes.

23 2. “Claimant” means a film production company, as defined in sub. (5h) (a) 2.,

1 that operates an accredited production in this state, if the company owns the
2 copyright in the accredited production or has contracted directly with the copyright
3 owner or a person acting on the owner's behalf and if the company has a viable plan,
4 as determined by the state film office, for the commercial distribution of the
5 finished production.

6 3. "Commercial domicile" means the location from which a trade or business
7 is principally managed and directed, based on any factors the state film office
8 determines are appropriate, including the location where the greatest number of
9 employees of the trade or business work, the trade or business has its office or base
10 of operations, or from which the employees are directed or controlled.

11 4. "Production expenditures" means any expenditures that are incurred in
12 this state and directly used to produce an accredited production, including
13 expenditures for writing, budgeting, casting, location scouts, set construction and
14 operation, wardrobes, makeup, clothing accessories, photography, sound recording,
15 sound synchronization, sound mixing, lighting, editing, film processing, film
16 transferring, special effects, visual effects, renting or leasing facilities or
17 equipment, renting or leasing motor vehicles, food, lodging, and any other similar
18 pre-production, production, and post-production expenditure as determined by the
19 state film office. "Production expenditures" includes expenditures for music that is
20 performed, composed, or recorded by a musician who is a resident of this state or
21 published or distributed by an entity that has its commercial domicile in this state;
22 air travel that is purchased from a travel agency or company that has its commercial
23 domicile in this state; and insurance that is purchased from an insurance agency or

1 company that has its commercial domicile in this state. “Production expenditures”
2 does not include salary or wages or expenditures for the marketing and distribution
3 of an accredited production.

4 (b) *Filing claims.* Subject to the limitations provided in this subsection, for
5 taxable years beginning after December 31, 2025, a claimant may claim as a credit
6 against the tax imposed under s. 71.43 any of the following amounts:

7 1. To the extent the salary or wages are not claimed under subd. 2., an amount
8 equal to 30 percent of the salary or wages paid by the claimant to the claimant’s
9 employees in the taxable year for services rendered in this state to produce an
10 accredited production and paid to employees who were residents of this state at the
11 time that they were paid.

12 2. An amount equal to 30 percent of the production expenditures paid by the
13 claimant in the taxable year to produce an accredited production.

14 3. An amount equal to the taxes imposed under ss. 77.52 and 77.53, to the
15 extent those taxes are not used in claiming a credit under subd. 2., that the
16 claimant paid in the taxable year on the purchase of tangible personal property and
17 taxable services that are used directly in producing an accredited production in this
18 state, including all stages from the final script stage to the distribution of the
19 finished production.

20 (c) *Limitations.* 1. No amount of the salary or wages paid under par. (b) 1.
21 may be the basis for a credit under this subsection unless the salary or wages are
22 paid for services rendered after December 31, 2025, and directly incurred to
23 produce the accredited production.

1 2. The total amount of the credits that may be claimed by a claimant under
2 par. (b) 1. shall not exceed an amount equal to the first \$250,000 of salary or wages
3 paid to each of the claimant's employees, as described in par. (b) 1., in the taxable
4 year, not including the salary or wages paid to the claimant's 2 highest-paid
5 employees, as described in par. (b) 1., in the taxable year, if the claimant's budgeted
6 production expenditures are \$1,000,000 or more.

7 3. No credit may be allowed under this subsection unless the claimant files an
8 application with the state film office, at the time and in the manner prescribed by
9 the office, and the office approves the application. The claimant shall submit a copy
10 of the approved application with the claimant's return.

11 4. Partnerships, limited liability companies, and tax-option corporations may
12 not claim the credit under this subsection, but the eligibility for, and the amount of,
13 the credit are based on their payment of amounts under par. (b). A partnership,
14 limited liability company, or tax-option corporation shall compute the amount of
15 credit that each of its partners, members, or shareholders may claim and shall
16 provide that information to each of them. Partners, members of limited liability
17 companies, and shareholders of tax-option corporations may claim the credit in
18 proportion to their ownership interest.

19 (d) *Administration.* 1. Section 71.28 (4) (e), (g), and (h), as it applies to the
20 credit under s. 71.28 (4), applies to the credits under this subsection. Section 71.28
21 (4) (f), as it applies to the credit under s. 71.28 (4), applies to the credits under par.
22 (b) 1. and 3.

23 2. If the allowable amount of the claim under par. (b) 2. exceeds the tax

1 otherwise due under s. 71.43 or no tax is due under s. 71.43, the amount of the
2 claim not used to offset the tax due shall be certified by the department of revenue
3 to the department of administration for payment by check, share draft, or other
4 draft drawn from the appropriation account under s. 20.835 (2) (bm).

5 3. Any person, including a nonprofit entity described in section 501 (c) (3) of
6 the Internal Revenue Code, may sell or otherwise transfer a credit under par. (b) 1.
7 or 3., in whole or in part, to another person who is subject to the taxes imposed
8 under s. 71.02, 71.23, or 71.43, if the person notifies the department of the transfer,
9 and submits with the notification a copy of the transfer documents, and the
10 department certifies ownership of the credit. The transferee may first use the
11 credit to offset tax of the transferor in the taxable year in which the transfer occurs
12 and may use the credit only to offset tax in taxable years in which the credit is
13 otherwise allowed to be claimed and carried forward by the original claimant.

14 4. Notwithstanding s. 71.82, no interest shall be paid on a refund based on an
15 amount certified under this subsection.

16 **SECTION 21.** 71.47 (5h) of the statutes is created to read:

17 71.47 (5h) FILM PRODUCTION COMPANY INVESTMENT CREDIT. (a) *Definitions.*

18 In this subsection:

19 1. "Claimant" means a person who files a claim under this subsection and
20 who does business in this state as a film production company.

21 2. "Film production company" means an entity that creates films, videos,
22 broadcast advertisement, or television productions, not including the productions
23 described in sub. (5f) (a) 1. a. to g.

1 3. “Physical work” does not include preliminary activities such as planning,
2 designing, securing financing, researching, developing specifications, or stabilizing
3 property to prevent deterioration.

4 4. “Previously owned property” means real property that the claimant or a
5 related person owned during the 2 years prior to doing business in this state as a
6 film production company and for which the claimant may not deduct a loss from the
7 sale of the property to, or an exchange of the property with, the related person
8 under section 267 of the Internal Revenue Code.

9 5. “Used exclusively” means used to the exclusion of all other uses except for
10 other use not exceeding 5 percent of total use.

11 (b) *Filing claims.* Subject to the limitations provided in this subsection, for
12 taxable years beginning after December 31, 2025, a claimant may claim as a credit
13 against the tax imposed under s. 71.43, up to the amount of the taxes, for the first 3
14 taxable years that the claimant is doing business in this state as a film production
15 company, an amount that is equal to 30 percent of the following that the claimant
16 paid in the taxable year to establish a film production company in this state:

- 17 1. The purchase price of depreciable, tangible personal property.
18 2. The amount expended to acquire, construct, rehabilitate, remodel, or repair
19 real property.

20 (c) *Limitations.* 1. A claimant may claim the credit under par. (b) 1., if the
21 tangible personal property is purchased after December 31, 2025, and the personal
22 property is used exclusively in the claimant’s business as a film production
23 company.

1 2. A claimant may claim the credit under par. (b) 2. for an amount expended to
2 construct, rehabilitate, remodel, or repair real property, if the claimant began the
3 physical work of construction, rehabilitation, remodeling, or repair, or any
4 demolition or destruction in preparation for the physical work, after December 31,
5 2025, or if the completed project is placed in service after December 31, 2025.

6 3. A claimant may claim the credit under par. (b) 2. for an amount expended to
7 acquire real property, if the property is not previously owned property and if the
8 claimant acquires the property after December 31, 2025, or if the completed project
9 is placed in service after December 31, 2025.

10 4. No claim may be allowed under this subsection unless the state film office
11 certifies, in writing, that the credits claimed under this subsection are for expenses
12 related to establishing a film production company in this state and the claimant
13 submits a copy of the certification with the claimant's return.

14 5. No credit may be allowed under this subsection for any amount that the
15 claimant paid for expenses described in par. (b) that the claimant used to claim a
16 credit under sub. (5f).

17 6. Partnerships, limited liability companies, and tax-option corporations may
18 not claim the credit under this subsection, but the eligibility for, and the amount of,
19 the credit are based on their payment of amounts under par. (b). A partnership,
20 limited liability company, or tax-option corporation shall compute the amount of
21 credit that each of its partners, members, or shareholders may claim and shall
22 provide that information to each of them. Partners, members of limited liability

1 companies, and shareholders of tax-option corporations may claim the credit in
2 proportion to their ownership interests.

3 (d) *Administration.* 1. Section 71.28 (4) (e) to (h), as it applies to the credit
4 under s. 71.28 (4), applies to the credits under this subsection.

5 2. Any person, including a nonprofit entity described in section 501 (c) (3) of
6 the Internal Revenue Code, may sell or otherwise transfer a credit under this
7 subsection, in whole or in part, to another person who is subject to the taxes
8 imposed under s. 71.02, 71.23, or 71.43, if the person notifies the department of the
9 transfer, and submits with the notification a copy of the transfer documents, and
10 the department certifies ownership of the credit. The transferee may first use the
11 credit to offset tax of the transferor in the taxable year in which the transfer occurs
12 and may use the credit only to offset tax in taxable years in which the credit is
13 otherwise allowed to be claimed and carried forward by the original claimant.

14 3. Notwithstanding s. 71.82, no interest shall be paid on a refund based on an
15 amount certified under this subsection.

16 **SECTION 22.** 71.49 (1) (epr) of the statutes is created to read:

17 71.49 (1) (epr) Film production company investment credit under s. 71.47
18 (5h).

19 **SECTION 23.** 71.49 (1) (eps) of the statutes is created to read:

20 71.49 (1) (eps) Film production services credit under s. 71.47 (5f) (b) 1. and 3.

21 **SECTION 24.** 71.49 (1) (f) of the statutes is amended to read:

22 71.49 (1) (f) The total of farmland preservation credit under subch. IX, jobs
23 credit under s. 71.47 (3q), enterprise zone jobs credit under s. 71.47 (3w), business

1 development credit under s. 71.47 (3y), research credit under s. 71.47 (4) (k) 1., film
2 production services credit under s. 71.47 (5f) (b) 2., and estimated tax payments
3 under s. 71.48.

4 **SECTION 25. Fiscal changes.**

5 (1) STATE FILM OFFICE. In the schedule under s. 20.005 (3) for the
6 appropriation to the department of tourism under s. 20.380 (1) (a), the dollar
7 amount for fiscal year 2025-26 is increased by \$199,300 to increase the authorized
8 FTE positions for the state film office by 3.0 GPR positions for administration of the
9 film production services credit and the film production company investment credit.
10 In the schedule under s. 20.005 (3) for the appropriation to the department of
11 tourism under s. 20.380 (1) (a), the dollar amount for fiscal year 2026-27 is
12 increased by \$254,000 to provide funding for the position authorized under this
13 subsection.

14 **SECTION 26. Effective date.**

15 (1) This act takes effect on the day after publication, or on the 2nd day after
16 publication of the 2025 biennial budget act, whichever is later.

17 **(END)**