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**WISCONSIN LEGISLATIVE COUNCIL  
ACT MEMO**

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**2005 Wisconsin Act 483**  
[2005 Senate Bill 563]

**Film Production Tax Credits**

2005 Wisconsin Act 483 creates several tax credits for film production activities:

- A film production services income and franchise tax credit. The credit is equal to 25% of salary or wages paid for services rendered in Wisconsin to produce an accredited production, and paid to employees who were residents of Wisconsin when they were paid. The credit for salary or wages paid must not exceed an amount equal to the first \$25,000 of salary or wages paid to each of the claimant's employees, not including the salary or wages paid to the claimant's two highest paid employees. The credit is also equal to 25% of production expenditures, as defined in the Act, paid by the claimant in the taxable year to produce an accredited production.
- A sales and use tax credit, for taxes that the claimant paid in the taxable year on the purchase of tangible personal property and taxable services that are used directly in producing an accredited production.
- A film production company investment credit. The claimant may claim as a credit against income and franchise taxes, up to the amount of the taxes, for the first three taxable years that the claimant is doing business in Wisconsin as a film production company, an amount equal to 15% of the purchase price of depreciable, tangible personal property and the amount expended to acquire, construct, rehabilitate, remodel, or repair real property.

The Act also requires the Department of Commerce (DOC) to implement a program to accredit productions for purposes of the tax credits created in the Act. Application for accreditation must be made to DOC in each taxable year for which accreditation is desired. If DOC accredits a production, DOC shall determine the amount of the production's production expenditures, and shall notify the Department of Revenue of every production accredited and the amount of the productions' production expenditures. The DOC is also required to promulgate rules, in consultation with the Department of Revenue, to administer this provision.

**Effective Date:** Act 483 takes effect on June 14, 2006.

**Prepared by:** Laura Rose, Deputy Director

November 6, 2006

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This memo provides a brief description of the Act. For more detailed information,  
consult the text of the law and related legislative documents at the Legislature's Web site at: <http://www.legis.state.wi.us/>.