



Michigan Film Production Incentive Information Packet

The following documents are included in this packet to assist you in applying for your Michigan Film Production Refundable Tax Credit:

- ❖ **Film Production Incentive Application (Form MFO 001-2008)**
- ❖ **Film Production Incentive Agreement (Form MFO 002-2008)**
- ❖ **Film Production Incentive Application Attachment Checklist**
- ❖ **Qualified “Direct Production Expenditures”**
- ❖ **Sample Budget Report**
- ❖ **Michigan Income Tax Withholding Obligations**

Film Production Incentive Application

INSTRUCTIONS: This form, and the Film Production Incentive Agreement, must be completed by all applicants planning to apply for the Michigan Film Production Incentive. These forms must be approved by the Michigan Film Office and the State Treasurer **before** the applicant will be eligible for these incentives.

PART 1: GENERAL INFORMATION			
1. Name of Production Company (Applicant)		2. Federal Tax Identification Number or MI Treasury No.	
Address (Street/P.O. Box)		City, State, ZIP Code	
Telephone Number	Fax Number	E-mail Address	
3. Doing Business As (If Applicable)		Telephone Number	
Address (Street/P.O. Box)		City, State, ZIP Code	
4. Applicant Type			
<input type="checkbox"/> Individual	<input type="checkbox"/> Partnership	<input type="checkbox"/> Other: _____	
<input type="checkbox"/> S-Corporation	<input type="checkbox"/> LLC - taxed as a corporation		
<input type="checkbox"/> C-Corporation	<input type="checkbox"/> LLC - taxed as a partnership		
5. Name of Person Completing Application	Telephone Number	E-mail Address	
Address of Person Completing Application (Street, P.O. Box, City, State, ZIP Code)		Fax Number	
6. Estimated Michigan Production Expenditures (Must be the same as line 25)			
7a. Projected number of Michigan hires during the project (must be broken down by job type and estimated pay scales). Attach additional sheets if necessary.		7b. Projected number of non-Michigan hires during the project (not residents of Michigan at least 60 days before approval of the agreement)	
8. Address of Michigan Office(s) (If different from applicant above). Include P.O. Box, City, State and ZIP Code.			
9. Does the company carry General Liability Insurance in the amount of \$1 million or higher? Include a copy of the certificate of insurance with this application, either by electronic attachment or by mail.		<input type="checkbox"/> Yes <input type="checkbox"/> No	
10. Check ONE of the following which describes this production.			
<input type="checkbox"/> Motion Picture	<input type="checkbox"/> Interactive Television	<input type="checkbox"/> Video	<input type="checkbox"/> Pilot
<input type="checkbox"/> Documentary	<input type="checkbox"/> Music Videos	<input type="checkbox"/> Digital Animation	<input type="checkbox"/> Video Teaser
<input type="checkbox"/> Television Series	<input type="checkbox"/> Interactive Games	<input type="checkbox"/> An Interactive Website **	
<input type="checkbox"/> Television Miniseries	<input type="checkbox"/> Video Games	<input type="checkbox"/> Trailer or Commercial promoting a State Certified Qualified Production	
<input type="checkbox"/> Television Special	<input type="checkbox"/> Internet Programming	<input type="checkbox"/> Demo created primarily to stimulate the sale, marketing, promotion or exploitation of future investment in a certified production.	
<input type="checkbox"/> Interstitial Television Programming	<input type="checkbox"/> Internet Video		
<input type="checkbox"/> Long-form Television	<input type="checkbox"/> Sound Recording *		
NOTE: Production cannot be: (1) A production that includes obscene matter or an obscene performance; 2) A production that primarily consists of televised news or current events; 3) A production that primarily consists of a live sporting event; 4) A production that primarily consists of political advertising; 5) A radio program; 6) A weather show; 7) A financial market report; 8) A talk show; 9) A game show; 10) A commercial unless it is a commercial for a state certified qualified production; 11) An awards show or other gala event production; 12) A production with the primary purpose of fund-raising; 13) A production that primarily is for employee training or in-house corporate advertising or other similar production.			
* Sound recordings that have audio portions spoken and recorded as part of a motion picture, video, theatrical production, television news coverage or athletic event are excluded.			
** This excludes interactive Web sites that are primarily used for institutional, private, industrial, retail or wholesale marketing or promotional purposes.			
11. Production Location(s)		<input type="checkbox"/> Core Community	<input type="checkbox"/> Non-Core Community
12. Project Title			

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13. List the full names of the key personnel associated with this production project to date.			
Director	Production Coordinator	Executive Producer(s)	
Location Manager	Director of Photography	Production Designer/Art Director	
Producer(s)			
Principal Actor(s)			
14. Has financing been completed for this production project? <input type="checkbox"/> Yes <input type="checkbox"/> No		15. Has financing been authorized ("green lighted") by the entity financing this production project? <input type="checkbox"/> Yes <input type="checkbox"/> No	
16. Date the production office is expected to be operating in Michigan (Month/Year)		17. Date when principal photography will begin in Michigan (Month/Year)	
18. Estimated Number of days of principal photography in Michigan		19. Will this production be available for a Michigan premiere? <input type="checkbox"/> Yes <input type="checkbox"/> No	
APPLICANT'S ACCOUNT INFORMATION			
20. Chief Internal Accountant			
Name		Address	
City		State ZIP Code	
Telephone Number	Fax Number	E-mail Address	
21. Firm of Independent Certified Public Accountants or Bond Company			
Name		Address	
City		State ZIP Code	
Telephone Number	Fax Number	E-mail Address	
22. Payroll Service			
Name		Address	
City		State ZIP Code	
Telephone Number	Fax Number	E-mail Address	
23. Production Accountant			
Name		Address	
City		State ZIP Code	
Telephone Number	Fax Number	E-mail Address	
24. List your expected expenses for this Michigan project. Include only your estimated costs for in-state "direct production expenditures" (i.e., rental/purchase of Michigan equipment, materials, products and services, above-the-line wages and salaries and Michigan below-the-line wages and salaries) and "qualified personnel expenditures" (i.e., non-Michigan below-the-line wages and salaries). Attach additional sheets if necessary.			
PROJECT ITEM	COST	PROJECT ITEM	COST
Above-the-Line Labor Wages/Salaries		Michigan Food/Restaurant Expenses	
Michigan Below-the-Line Labor Wages/Salaries		Michigan Equipment Rental/Purchase	
Non-Michigan Below-the-Line Labor Wages/Salaries		Michigan Location Fees	
Michigan Lodging Expenses		Michigan Materials Rental/Purchase (Set Construction, Wardrobe, etc.)	
Michigan Building(s) Rental			
Michigan Contracted Services (Casting, Security, etc. Itemize separately.)		FILM OFFICE USE ONLY	
		Production Project Number	

OTHER PROJECT ITEMS	COST	OTHER PROJECT ITEMS	COST
Michigan		Michigan	
	25. Total estimated Michigan production expenditures (Must be a minimum of \$50,000)		
	26. Total estimated project budget		
	27. Incentive amount anticipated		

28. The Michigan Film Office and State Treasurer must consider all of the following in deciding whether to enter into an agreement. Briefly explain how each of the criteria applies to your production:

28a. In the absence of the credit the qualified production will be produced in a location other than Michigan.

28b. The extent to which the qualified production may have the effect of promoting Michigan as a tourist destination.

28c. The extent to which the qualified production may have the effect of promoting economic development or job creation in Michigan.

28d. The record of the eligible production company in completing commitments to engage in qualified productions. Include all productions, by production name and state of location, the company has completed within the last two (2) years that substantially meet the standard of a "state certified qualified production" in the Michigan Business Tax Act at MCL 208.1455(12)(k).

29. The Production Company agrees that in claiming the credit under section 455 of the Michigan Business Tax Act, it will not use the same expenses to claim a credit under sections 457 and 459 of the Michigan Business Tax Act or Section 367 of the Income Tax Act of 1967. Agree

The Production Company shall provide the Michigan Film Office with the information and independent certification the Michigan Film Office and the Department of Treasury deem necessary to verify direct production expenditures, qualified personnel expenditures and eligibility for the credit. Check if the applicant so agrees to this requirement. Agree

Information and records submitted by a production company to the Michigan Film Office under the Michigan Film Production Incentive Credit as provided by the Michigan Business Tax Act shall be considered confidential and exempt from disclosure under the Freedom of Information Act, 1976 PA 442, MCL 15.231 to 15.246, to the extent that they describe the commercial and financial operations or intellectual property of the company, they have not been publicly disseminated at any time, and their disclosure might put the company at a competitive disadvantage. **A company submitting materials must specifically designate any information and records that the company deems confidential by stamping or marking each page of information with the legend "Confidential." Items other than printed documents must be marked "Confidential" in a conspicuous manner appropriate to the items in question. Any information or records submitted by a company that is not specifically designated by the submitting company as confidential shall be treated as public information and subject to release by the Michigan Film Office.**

30. Additional documentation to be supplied by Applicant. This application will not be considered by the Michigan Film Office until all materials are received:

- a. Recent financial statement of Applicant or, if Applicant is a newly-formed entity, recent financial statement of Applicant's parent or controlling entity.
- b. Detailed budget for entire production, including non-Michigan expenditures.
- c. Details regarding how the production will be financed, including binding financing commitment such as loan agreement or commitment letter.
- d. List of Applicant's officers or principals and list of officers or principals of Applicant's parent or controlling entity.
- e. Details regarding Applicant's (or, if Applicant is a newly-formed entity, Applicant's parent's or controlling entity's) background and its record of completing productions that substantially meet the standard of a "qualified production" under section 455(12)(k) of the Michigan Business Tax Act. The following information must be included:
 - i. General industry reputation.
 - ii. Number of completed productions.
 - iii. Number of incomplete productions and reasons for noncompletion.
 - iv. Creditworthiness and history with financial backers and lenders.
 - v. Delinquencies of Applicant, subsidiaries, parent, and affiliates.
 - vi. History of wage and hour violations.
 - vii. History of labor relations and union activity (i.e., strikes, lock-outs).
 - viii. History of paying vendors and compliance with agreements.

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<input type="checkbox"/> I certify that I am an authorized representative of the applicant and as such am authorized to make the statement of affirmation contained herein.	
<input type="checkbox"/> I hereby agree to allow representatives of the Michigan Film Office and the Michigan Department of Treasury access to the property and applicable records as may be necessary for the administration of the Film Production Incentive Credit as provided by MCL 208.1455.	
I certify the following are all of the entities under common control of, affiliated with, or controlling the production company: <input type="checkbox"/>	
<input type="checkbox"/> I certify, under penalties of perjury, that the statements and information contained in this application and attachments are complete, true, and correct to the best of my knowledge and belief.	
<input type="checkbox"/> I certify that the applicant listed in this application is not delinquent in a tax or other obligation owed to the State of Michigan nor is owned or under common control of an entity that is delinquent in a tax or other obligation owed to the State of Michigan.	
<input type="checkbox"/> I certify that the applicant listed in this application is not an entity that is more than 30% owned, affiliated, or controlled by an entity or individual who is in default on a loan made by the State of Michigan, a loan guaranteed by the State of Michigan, or a loan made or guaranteed by any other state.	
<input type="checkbox"/> I certify that the qualified production does not depict obscene matter or an obscene performance as described in 1984 PA 343, MCL 752.361 to 752.374.	
<input type="checkbox"/> I certify that the applicant will comply with the delinquency and default certifications for the length of the agreement and understands that this compliance will be a condition of receiving the postproduction certificate of completion.	
Applicant's Printed Name	Date
Applicant's Signature	Date
APPLICATION CHECKLIST	
Make sure you have included the following documentation and additional materials with this application:	
<input type="checkbox"/> Insurance Information	Detailed Budget for entire production, including non-Michigan expenditures
<input type="checkbox"/> Additional documentation as listed in item 30.	
<input type="checkbox"/> Script/Storyboard (whatever breakdown is available at this point)	
<input type="checkbox"/> A non-refundable filing fee of \$100 payable to the Michigan Film Office (No cash accepted).	

Mail or overnight application and all related documents with your check for \$100 to:
Michigan Film Office
300 North Washington Square, 4th Floor
Lansing, MI 48913.
Make checks payable to Michigan Film Office.

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Film Production Incentive Agreement

INSTRUCTIONS: This form, and a Film Production Incentive Application, must be completed by all applicants planning to apply for the Michigan Film Production Incentive. These forms must be approved by the Michigan Film Office and the State Treasurer **before** the applicant will be eligible for these incentives.

PART 1: GENERAL INFORMATION			
1. Name of Production Company (Applicant)		2. Federal Tax Identification Number or MI Treasury No.	
Address (Street/P.O. Box)		City, State, ZIP Code	
Telephone Number	Fax Number	E-mail Address	
3. Doing Business As (If Applicable)		Telephone Number	
Address (Street/P.O. Box)		City, State, ZIP Code	
4. Applicant Type			
<input type="checkbox"/> Individual	<input type="checkbox"/> Partnership	<input type="checkbox"/> Other: _____	
<input type="checkbox"/> S-Corporation	<input type="checkbox"/> LLC - taxed as a corporation		
<input type="checkbox"/> C-Corporation	<input type="checkbox"/> LLC - taxed as a partnership		
5. Name of Person Completing Agreement	Telephone Number	E-mail Address	
Address of Person Completing Agreement (Street, P.O. Box, City, State, ZIP Code)		Fax Number	
6. Check ONE of the following which describes this production.			
<input type="checkbox"/> Motion Picture	<input type="checkbox"/> Interactive Television	<input type="checkbox"/> Video	<input type="checkbox"/> Pilot
<input type="checkbox"/> Documentary	<input type="checkbox"/> Music Videos	<input type="checkbox"/> Digital Animation	<input type="checkbox"/> Video Teaser
<input type="checkbox"/> Television Series	<input type="checkbox"/> Interactive Games	<input type="checkbox"/> An Interactive Website	
<input type="checkbox"/> Television Miniseries	<input type="checkbox"/> Video Games	<input type="checkbox"/> Trailer or Commercial promoting a State Certified	
<input type="checkbox"/> Television Special	<input type="checkbox"/> Internet Programming	<input type="checkbox"/> Qualified Production	
<input type="checkbox"/> Interstitial Television Programming	<input type="checkbox"/> Internet Video	<input type="checkbox"/> Demo created primarily to stimulate the sale, marketing, promotion or exploitation of future investment in a certified production.	
<input type="checkbox"/> Long-form Television	<input type="checkbox"/> Sound Recording		
Production Location(s)		<input type="checkbox"/> Core Community	<input type="checkbox"/> Non-Core Community
7. Provide a brief description of the production that the company intends to produce in whole or in part in Michigan (include information such as the title of the production, a plot summary, storyboard, actors, etc.)			
8. List your expected expenses for this Michigan project. Include only your estimated costs for in-state "direct production expenditures" (i.e., rental/purchase of Michigan equipment, materials, products and services, above-the-line wages and salaries and Michigan below-the-line wages and salaries) and "qualified personnel expenditures" (i.e., non-Michigan below-the-line wages and salaries). Attach additional sheets if necessary.			
PROJECT ITEM	COST	PROJECT ITEM	COST
Above-the-Line Labor Wages/Salaries		Michigan Food/Restaurant Expenses	
Michigan Below-the-Line Labor Wages/Salaries		Michigan Equipment Rental/Purchase	
Non-Michigan Below-the-Line Labor Wages/Salaries		Michigan Location Fees	
Michigan Lodging Expenses		Michigan Materials Rental/Purchase (Set Construction, Wardrobe, etc.)	
Michigan Building(s) Rental			
Michigan Contracted Services (Casting, Security, etc. Itemize separately.)			FILM OFFICE USE ONLY
			Production Project Number

OTHER PROJECT ITEMS	COST	OTHER PROJECT ITEMS	COST
Michigan		Michigan	
		9. Total Estimated Michigan Project Expenditures	
		10. Total Estimated Project Budget	
		11. Anticipated Incentive	

12a. The production company shall provide the Michigan Film Office with the information and independent certification the Michigan Film Office and the Department of Treasury deem necessary to verify direct production expenditures, qualified personnel expenditures and eligibility for the credit. **Agreement incorporates the application by reference.** Check if the applicant so agrees to this requirement.

Agree

12b. Any request to approve expenses over the budget set forth herein must be made in writing to the Michigan Film Office and must be made and approved PRIOR TO the incurrence of such additional expenses. Such requests must describe the reasons that the additional expenses are necessary, and must be signed by the qualified production company. All such requests will be considered by the Michigan Film Office and the State Treasurer, and may be approved if good cause exists to do so. Check if the applicant agrees to comply with this procedure.

Agree

13a. Date of expected commencement of work in the State of Michigan on the identified production. Work must commence within 90 days of the date of this agreement, or the agreement shall expire unless a request is submitted by the production company to extend the period for commencement of work for good cause shown and that extension for up to an additional 90 days is so approved by the Michigan Film Office.

Date

13b. Date of expected completion of work in the State of Michigan on the identified project.

Date

14. To enter into agreement with the Michigan Film Office, the production company must here certify that it will not depict obscene matter or an obscene performance according to 1984 PA 343 MCL 752.361 to MCL 752.374. Check if the applicant so agrees to this requirement.

Agree

CERTIFICATION

15. By signing below, I/we understand that, along with this completed document and required documentation, I/we must provide screen credit thanking the Michigan Film Office and stating that the production was filmed in Michigan.

- I certify that I am a representative of the applicant with authority to enter into this agreement on behalf of the applicant and am authorized to make the statements of affirmation contained herein.
- I hereby agree to allow representatives of the Michigan Film Office and the Michigan Department of Treasury access to the property and applicable records as may be necessary for the administration of this program.
- I certify, under penalties of perjury, that the statements and information contained in this agreement and attachments are complete, true, and correct to the best of my knowledge and belief.
- I certify that the applicant listed in this agreement is not delinquent in a tax or other obligation owed to the State of Michigan nor is owned or under common control of an entity that is delinquent in a tax or other obligation owed to the State of Michigan.
- I certify that the applicant listed in this agreement is not an entity that is more than 30% owned, affiliated, or controlled by an entity or individual who is in default on a loan made by the State of Michigan, a loan guaranteed by the State of Michigan, or a loan made or guaranteed by any other state.
- I certify that the applicant will comply with the delinquency and default certifications for the length of the agreement and understand that this compliance will be a condition of receiving the postproduction certificate of completion.

Preparer's Printed Name

Preparer's Signature	Date
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Mail or overnight the agreement and all related documents to: Michigan Film Office, 300 North Washington Square, 4th Floor, Lansing, MI 48913

FILM OFFICE AND DEPARTMENT OF TREASURY USE ONLY

Maximum value that may be issued subject to verification of this project's actual Michigan production expenses and Michigan economic benefit.

APPROVED

DENIED

Michigan Film Office	Date
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APPROVED

DENIED

State Treasurer Signature	Date
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Film Production Incentive Application Attachment Checklist

Part A. In addition to the Film Production Incentive Application and Agreement, the following additional documents and information must be received from Applicant before the Application will be reviewed and processed:

- 1. Applicant's most recent financial statement or, if Applicant is a newly-formed entity, the most recent financial statement of Applicant's parent or controlling entity.** *"Financial statement" means a compilation of financial data, usually including a balance sheet, income statement and statement of cash flow, or any comparable compilation that is intended to communicate an entity's financial position at a point in time and its results of operations for its most recent reporting period then ended.*
- 2. Provide details regarding how the production will be financed, and attach a binding financial commitment such as a loan agreement or commitment letter.** *The State of Michigan has an interest in insuring that productions which are approved for the Film Production Credit are viable productions for which firm financing is in place. Projects that are still in the planning stages should wait to apply for the Credit until all financing arrangements have been finalized. For this item, describe the resources that will be used to finance the stated budget for this production. For example: film is being fully financed by parent XYZ Studios; film is being financed through a loan from National Bank that is collateralized by a distribution contract; film is being financed through John Doe Investments, a private investment company. In all cases, proof of binding financial commitment must be attached. For a lending arrangement, provide either a commitment letter or a copy of the signed loan agreement. "Commitment letter" means a formal and binding offer by a lender making explicit the terms under which it agrees to lend money to a borrower over a certain period of time.*
- 3. If you have included any amount of loan interest or financing fees in your calculation of the Film Production Credit amount, please provide information demonstrating that the financing entity is a qualified Michigan lender.** *The interest associated with a production loan will be eligible for the Film Production Credit if the expense otherwise satisfies the requirements for a "direct production expenditure," including the requirement that the expenditure be "made in this state." "Made in this state" means that the financing must be obtained by a production company from a bank or other lender physically located in Michigan and that all loan services are performed in Michigan. In addition, the entity from which the financing is obtained must be a non-interested commercial lender; that is, a public, private or institutional entity with the requisite level of physical presence in Michigan that is not related to or affiliated with the production company or any above-the-line production crew or cast member, and whose principal business activity is lending money to individuals*

and businesses. The production financing must be a bona fide loan, payable by the production company. A bona fide loan is generally evidenced by an enforceable promissory note with clear repayment obligations, bearing a market related rate of interest, and secured by collateral.

- 4. Provide a list of Applicant's officers or principals and a list of officers or principals of Applicant's parent or controlling entity. This requirement applies whether Applicant and its parent or controlling entity are corporations, partnerships, or LLCs.** *"Officers" means those persons appointed by the board of directors of a company, such as the president, CEO, vice president, etc., to manage the day-to-day business of the company and to carry out the policies set down by the board. "Principals" means those persons with ultimate decision-making authority who have the responsibility of managing the company's affairs and, in general, are empowered to set the company's policy, objectives, and overall direction.*
- 5. List all of the entities that are under the common control of, are affiliated with, or control Applicant.** *For the purposes of this question, entities under the common control of Applicant are those entities in which Applicant owns or controls a 30% or greater interest. Affiliated entities are those entities related to Applicant in any degree through common ownership or common control of management or owners. Entities that control Applicant are those entities that own or control a 30% or greater interest in Applicant.*
- 6. Describe how the completed production will be marketed and distributed.** *Note any distribution contracts that have been entered into with respect to the production. If the production is a motion picture, has a wide theatrical release been secured, or is such a release likely? If not, will the release be direct-to-DVD? Will the film be entered in any regional, national or international film festivals? If the production is intended for broadcast on television (including a pilot, series, special or documentary), state when and on what network or channel the production will be aired.*
- 7. Please provide a separate list detailing all expected Michigan job hires for the production.** *Provide a comprehensive list of all positions Applicant expects to fill with Michigan-resident crew and labor. The list must include the industry-standard title or function of each position (e.g. key grip), the projected number of hires for each such position, the expected length of employment (stated in hours, weeks, or "man days") and the average hourly, daily or weekly salary or wage level for each position.*

8. In addition to submitting a detailed overall budget for the production, please also provide a separate Budget Report detailing how Applicant calculated the expected Film Production Credit amount, and clearly indicating which expenditures Applicant has calculated as eligible for the 42%, 40% and 30% credit amounts, as well as which expenditures are ineligible for the credit. A suggested template for the Budget Report is included in this informational packet. However, any report providing the same information and presented in a readily-understandable format is acceptable.

Part B. The Michigan Film Office and State Treasurer must consider all of the following factors in deciding whether to enter into an Agreement with a production company. Please explain how each of the following statutory criteria applies to your production.

In the absence of the credit, would the qualified production be produced in a location other than Michigan? Note whether Applicant is a Michigan-based company and any steps taken by Applicant in other states to prepare for production of the project (e.g., location and siting efforts, retention of workforce, contacts with labor union locals and solicitation of vendor services). You may also want to discuss the relative tax benefits of producing the project in Michigan vs. other states, as well as the relative adequacy of Michigan's infrastructure and skilled workforce, and the availability of comparable settings and locations in other states.

Discuss the extent to which the qualified production may have the effect of promoting Michigan as a tourist destination. Where in Michigan does the production intend to film? Will Michigan play a visible part in the story line of the production? Will Michigan locations and settings be identified or identifiable as Michigan-related? Also discuss any special efforts made by Applicant to tailor the project's story line to a Michigan setting, utilize widely-recognizable Michigan landmarks in filming (such as the Mackinaw Bridge), or otherwise depict Michigan in a tourist-friendly or engaging way. If the current script or story line does not utilize Michigan as a part of the story line or depict identifiable Michigan settings, will Applicant consider revising the script to so provide?

Discuss the extent to which the qualified production may have the effect of promoting economic development or job creation in Michigan. In your answer, you may want to discuss such factors as the number, quality and pay levels of the skilled crew positions that will be filled by Michigan residents, the types of goods and services to be purchased in Michigan (including a list of equipment that will be purchased or rented in Michigan), the overall magnitude

of Applicant's planned spending in Michigan, and the extent to which the production may create additional structures or may spur the creation of additional infrastructure. Please also describe the efforts made by Applicant to utilize Michigan residents for skilled crew positions, rather than out-of-state residents.

- Discuss Applicant's track record or history in completing commitments to engage in qualified productions.** *Please identify all productions, by name and state of location, that Applicant has completed within the last two years that substantially meet the standard of a "state certified qualified production" under MCL 208.1455(12)(k). If Applicant is a newly-formed entity, please provide the names of Applicant's parent or controlling companies and identify by name and state of location the five most recent productions completed by such companies that substantially meet the standard of a "state certified qualified production" under MCL 208.1455(12)(k). Also, Applicant must provide the following information:*
 - a. Identify all instances where Applicant (or, if a newly formed entity, Applicant's parent or controlling company) failed to complete a production and state the reasons for non-completion.*
 - b. Identify all instances where Applicant (or, if a newly formed entity, Applicant's parent or controlling company) was sued or where legal or administrative action was taken against it because of any of the following:*
 - (i) Failure to pay any governmental entity for taxes or other debt obligations.*
 - (ii) Failure to pay or breach of any agreement with a vendor providing goods or services to a prior production.*
 - (iii) Failure to pay or breach of any agreement with a financial backer, investor or lender to a prior production.*
 - (iv) Violation of wage and hour laws of any state or other governmental entity.*

Michigan Film Production Incentive Qualified Direct Production Expenditures

A qualified "direct production expenditure" must satisfy four criteria. It must be i) made in this state, ii) not a qualified personnel expenditure, iii) directly attributable to the production or distribution of a "qualified production," and iv) subject to taxation in this state. MCL 208.1455(12)(c).

All four criteria must be met for the expenditure to qualify for the film production credit. The phrase "made in this state" is not defined in the statute. The term "made in this state" requires that the expenditure have a substantive relationship to the State of Michigan to achieve the overarching purpose of the film industry tax credits: stimulation and growth of Michigan's economy. This means generally that Michigan's economy must directly benefit in some way from the expenditure, and particularly, that Michigan-based businesses are benefited rather than out-of-state businesses.

The phrase "made in this state" is generally interpreted to require that eligible expenditures meet the following standards:

- 1) Tangible personal property and services must be acquired by the production company from a source within Michigan.
- 2) Services must be wholly performed within Michigan.
- 3) A "source within Michigan" requires an established level of physical presence that includes both a non-temporary "bricks and mortar storefront", and at least one full time permanent employee. "Non-temporary" and "permanent" will generally be indicated by a presence of at least one year. The one year standard would be met with a prior presence as well as a planned future presence evidenced by a documented commitment such as entering into a one year lease for office space.
- 4) The requisite physical presence of a qualified vendor business, and the transaction at issue must have a nexus. Michigan physical presence unrelated to the transaction would not satisfy the criteria of "made in this state."
- 5) Simple pass through transactions will not qualify as "direct production expenditures" "made in this state." Generally, the existence of an added markup by the Michigan business that is consistent with industry norms will give evidence the transaction has economic substance in Michigan and is not merely a pass through transaction.

Listed below are examples of INELIGIBLE expenditures:

- **Per diems**
- **Living Allowances if paid as fixed or pre-determined amount**
- **Car Allowances if paid as fixed or pre-determined amount**
- **Meal Allowances if paid as fixed or pre-determined amount**
- **Expenditures made prior to approval of a film production credit agreement by the State**
- **Contingencies listed as a separate budget line item**
- **Michigan withholding tax listed as a separate budget line item**
- **Interest or financing fees on loans from related parties or from entities that do not qualify as Michigan lenders**
- **Commercial airfare not purchased through a Michigan agent or for travel that is not into, out of, or within Michigan**
- **Professional fees related to Post-Production Audit**

Schedule of Eligible Direct Production Expenditures

This schedule lists a sample of various categories of expenditures that a production company might incur in connection with a qualified production; however, the list is not exhaustive nor all inclusive of expenditures that may qualify for the film production tax credit under section 455 of the Michigan Business Tax Act (MBTA), MCL 208.1455. Qualification of any particular expenditure is governed by subsections 455(12)(c) and (j) of the MBTA, MCL 208.1455(12)(c) and (j).)

Description	Eligible?	Comments
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ABOVE THE LINE

DEVELOPMENT

Story & Rights	YES	If purchased in MI from MI owner of rights / vendor.
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WRITING

Writer	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. If purchased services from writer, purchased in MI from MI owner of rights / vendor.
Story Editor	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee.
Research	YES	If purchased in MI from MI vendor.
Secretaries	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee.
Script Printing	YES	If purchased in MI from MI vendor.

PRODUCER & STAFF

Executive Producer	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee.
Line Producer	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee.
Producers	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee.
Associate Producers	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee.
Secretaries	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee.
Assistants	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee.
Purchases and Supplies	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Wrap Party	YES	If purchased in MI from MI vendor. Must be directly attributable to production or distribution of qualified project.
Entertainment	YES	If purchased in MI from MI vendor. Must be directly attributable to production or distribution of qualified project.

DIRECTOR & STAFF

Director	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee.
Dialogue Coach or similar specialists	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee.
Secretaries	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee.
Choreographers	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee.
Assistants	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee.
Towncar Per Diem/Allowance	NO	Not subject to taxation in MI, thus, ineligible. (See Department FAQ Fi14).
Purchases and Supplies	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Director Assistant Computer	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Director Office Rentals	YES	If purchased in MI from MI vendor.
Entertainment Per Diem/Allowance	NO	Not subject to taxation in MI, thus, ineligible. (See Department FAQ Fi14).

Description	Eligible?	Comments
TALENT		
Principal Cast	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee.
Supporting Cast	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee.
Day Player	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee.
Residuals	NO	Comp. paid after credit certificate is issued is ineligible.
Weekly Player	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee.
Stunt Coordinator	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee.
Stunts	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee.
Looping and Expenses	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. Expenses must be purchased in MI from MI vendor.
Casting Director	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee.
Casting Assistants	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee.
Casting Office Expenses	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.

TRAVEL & LIVING (ATL)

Producer Travel – General	YES	If purchased through travel agency / company based in MI.
Producer Travel – MI Distant Location	YES	If purchased through travel agency / company based in MI.
Producers Assistants Travel – General	YES	If purchased through travel agency / company based in MI.
Producers Assistants Travel – MI Distant Location	YES	If purchased through travel agency / company based in MI.
Director – General Travel	YES	If purchased through travel agency / company based in MI.
Director Travel – MI Distant Location	YES	If purchased through travel agency / company based in MI.
Directors Assistants Travel – General	YES	If purchased through travel agency / company based in MI.
Directors Assistants Travel – MI Distant Location	YES	If purchased through travel agency / company based in MI.
Talent Travel – General	YES	If purchased through travel agency / company based in MI.
Talent Travel – MI Distant Location	YES	If purchased through travel agency / company based in MI.
Talent Travel Per Diem	NO	Not subject to taxation in MI, thus, ineligible. (See Department FAQ Fi14).

FRINGE BENEFITS (ATL)

Pension Plan & Health and Welfare	YES	Included in compensation, which must be \leq \$2,000,000.00 for any 1 employee.
Employer Taxes	NO	Not included as “compensation” under the MBT.

FINANCING

MI financing fees and interest	YES	If incurred from financing through MI financial institution. Does not include interest payments or obligations beyond date credit certificate issued. (See Department FAQ Fi12).
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BELOW THE LINE

PRODUCTION STAFF

Production Manager	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Production Supervisor	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
First Assistant Director	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Second AD's and Trainees	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.

Description	Eligible?	Comments
Script Supervisor	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Location Manager	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Asst Location Mgrs & Scouts	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Tech Advisors	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Production Coordinators	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Asst Production Coordinators	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Production Secretaries	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Production Accountants	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Assistant Accountants	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Payroll Services	YES	If purchased from payroll service company in MI doing business in MI.
Construction Estimator	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Production Assistants	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Script Timing	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Prod. Office Coord. & Assts	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.

CAMERA

Directory of Photography	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Operator	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Asst Cameramen & Operators	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Steadicam Operators	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Still Photographer	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Loader	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Purchases & Supplies	YES	If purchased in MI from MI vendor. Includes only that portion directly attributable to and used in qualified project and net of proceeds from any resale of items.
Camera Rentals	YES	If purchased in MI from MI vendor.
Box Rentals	YES	If purchased in MI from MI vendor. Or if part of compensation of provider of services. (See Department FAQ Fi15).

ART DEPARTMENT

Production Designer	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Art Director and Assistants	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Set Designers	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Illustrators	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.

Description	Eligible?	Comments
Storyboard Artist	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Production Assistants	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Blue Printing	YES	If purchased in MI from MI vendor.
Stock Units/Backings	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Purchases & Supplies	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Processing	YES	If purchased in MI from MI vendor.
Research Materials	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Rentals	YES	If purchased in MI from MI vendor.
Equipment	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Box Rentals	YES	If purchased in MI from MI vendor. Or if part of compensation to provider of services. (See Department FAQ Fi15).

SET CONSTRUCTION

Construction Coordinators	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Construction Foremen	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Stage Set Construction Labor	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Location Set Construction Labor	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Stage Set Construction Materials Purchase & Rental	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Location Set Construction Materials Purchase & Rental	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Stage Set Striking Labor	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Stage Set Striking Materials Purchase & Rental	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Location Set Striking Labor	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Location Set Striking Materials Purchase & Rental	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Set Restoration	YES	If purchased in MI from MI vendor.
Fold and Hold Sets	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Greens Purchase	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Backings Rental/Purchase	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Trash Removal	YES	If purchased in MI from MI vendor.

Description	Eligible?	Comments
Scissor Lifts/Forklifts	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Box Rental	YES	If purchased in MI from MI vendor. Or if part of compensation to provider of services. (See Department FAQ Fi15).
Construction Expendables	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.

SPECIAL EFFECTS

SFX Coordinator	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
SFX Assistants	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Rig and Strike	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Manufacturing Labor & Materials	YES	Labor: Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%. Materials: If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Purchases	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Equipment Rentals	YES	If purchased in MI from MI vendor.

SET OPERATIONS

Key Grip	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Grips – all	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Craft Service Persons	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Greens person – Company	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Stand By Carpenters	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Stand By Painters	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Set Watch/Fireman	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
First Aid & Expenses	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Medics	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Other Crafts	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Heating/Air Conditioning	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Purchases	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.

Description	Eligible?	Comments
Grip Expendables	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Lumber	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Craft Service Purchases	YES	If purchased in MI from MI vendor.
Rentals	YES	If purchased in MI from MI vendor.
Grip Package	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Truck Package	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Additional Equipment	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Helicopter Rental	YES	If chartered in MI and used in MI, not for transp. out of MI.
Box Rentals	YES	If purchased in MI from MI vendor. Or if part of compensation to provider of services. (See Department FAQ Fi15).

ELECTRICAL

Chief Lighting Technician	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident ($>$ 60 days before agreement) 40%, else 30%.
Lighting Asst and Technicians	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident ($>$ 60 days before agreement) 40%, else 30%.
Rig and Strike	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident ($>$ 60 days before agreement) 40%, else 30%.
Generator Operator	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident ($>$ 60 days before agreement) 40%, else 30%.
Generator Assistants	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident ($>$ 60 days before agreement) 40%, else 30%.
Special Equipment Operator	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident ($>$ 60 days before agreement) 40%, else 30%.
Electric Hookup	YES	If purchased in MI from MI vendor.
Current	YES	If purchased in MI from MI vendor.
Purchases – Expendables, Gels, Etc	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Globes and Carbons	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Rentals	YES	If purchased in MI from MI vendor.
Electric Package	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Stage Package	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Rigging Package	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Additional Equipment	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Specialty Lighting	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.

Description	Eligible?	Comments
Generator Rentals	YES	If purchased in MI from MI vendor.
Box Rentals	YES	If purchased in MI from MI vendor. Or if part of compensation to provider of services. (See Department FAQ Fi15).

SET DRESSING

Set Decorator	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Leadman/Buyer	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Kit Rental	YES	If purchased in MI from MI vendor. Or if part of compensation to provider of services. (See Department FAQ Fi15).
Set Dressing Labor	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Drapery/Carpet	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Loss, Damage, Cleaning	YES	If purchased in MI from MI vendor.
Manufacturing/Materials	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Set Dress Purchase & Materials	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Fixtures	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Rentals	YES	If purchased in MI from MI vendor.
Rentals – All Sets	YES	If purchased in MI from MI vendor.
Box Rentals	YES	If purchased in MI from MI vendor. Or if part of compensation to provider of services. (See Department FAQ Fi15).
Research	YES	If purchased in MI from MI vendor.
Film Processing	YES	If purchased in MI from MI vendor.
Expendables	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.

ACTION PROPS

Propmaster	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Assistant Propmaster & Labor	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Kit Rental	YES	If purchased in MI from MI vendor. Or if part of compensation to provider of services. (See Department FAQ Fi15).
Manufacturing/Materials/Labor	YES	Labor: Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%. Materials: If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Purchases & Rentals	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Box Rentals	YES	If purchased in MI from MI vendor. Or if part of compensation to provider of services. (See Department FAQ Fi15).
Film Processing	YES	If purchased in MI from MI vendor.
Research	YES	If purchased in MI from MI vendor.
Expendables	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.

Description	Eligible?	Comments
PICTURE VEHICLES/ANIMALS		
Pic Vehicle Manufacturing	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Mechanic	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Animals	YES	If purchased in MI from MI vendor.
Wranglers, Handlers	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%. If contracted services, purchased in MI from MI vendor.
Feeding and Stabling	YES	If purchased in MI from MI vendor.

SPECIAL PHOTOGRAPHY

Process Operating	YES	If purchased in MI from MI vendor.
Blue Screen	YES	If purchased in MI from MI vendor.
Matte Shots Contact	YES	If purchased in MI from MI vendor.
Matte Crew Expenses	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Animation	YES	If purchased in MI from MI vendor.
Miniature Contact	YES	If purchased in MI from MI vendor.
Miniature Expenses	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Computer Graphics	YES	If purchased in MI from MI vendor.
Equipment Rental	YES	If purchased in MI from MI vendor.

EXTRA TALENT

Standins	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Casting Commission	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%. If contracted services, If purchased in MI from MI vendor.
Extras-Studio	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Extras-Location	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Non Union	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Sideline Musicians	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Fittings	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Wardrobe	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Atmosphere Cars	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Casting Svc Fee and Fringes	YES	If purchased in MI from MI vendor.
Polaroid	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Telephone/Office	YES	If purchased in MI from MI vendor.

Description	Eligible?	Comments
WARDROBE		
Costume Designer	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Designer Staff	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Wardrobe Labor	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Costumers & Assts.	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Cleaning and Dyeing	YES	If purchased in MI from MI vendor.
Kit Rental	YES	If purchased in MI from MI vendor. Or if part of compensation to provider of services. (See Department FAQ Fi15).
Alterations & Repairs	YES	If purchased in MI from MI vendor.
Allowance (for use of personal wardrobe)	YES	Part of compensation. MI resident (> 60 days before agreement) 40%, else 30%.
Purchases & Rentals	YES	If purchased in MI from MI vendor. Includes only that portion directly attributable to and used in qualified project and net of proceeds from any resale of items.
Box Rentals	YES	If purchased in MI from MI vendor. Or if part of compensation to provider of services. (See Department FAQ Fi15).
Research	YES	If purchased in MI from MI vendor.
Expendables	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Washing Machine & Dryer	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Shop Set Up	YES	If purchased in MI from MI vendor.
Polaroid	YES	If purchased in MI from MI vendor.

MAKEUP & HAIRDRESSING

Makeup Artist	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Key Makeup	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Additional Makeup Artists	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Additional Hairstylists	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Makeup & Hairdressing Supplies	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Chair Rental	YES	If purchased in MI from MI vendor.
Wigs Purchase/Rentals	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Appliances	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Box Rentals	YES	If purchased in MI from MI vendor. Or if part of compensation to provider of services. (See Department FAQ Fi15).

Description	Eligible?	Comments
SOUND (PRODUCTION)		
Mixer	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Boom Operator	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Additional Labor Sound	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Purchases	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Rentals	YES	If purchased in MI from MI vendor.
Sound Package	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Additional Equipment	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Walkie Talkies	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Beepers	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Box Rentals	YES	If purchased in MI from MI vendor. Or if part of compensation to provider of services. (See Department FAQ Fi15).

LOCATIONS

Site Fees and Rentals	YES	If purchased in MI from MI vendor.
Police/Firemen/Watchmen	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%. Or, if contracted services, purchased in MI from MI vendor.
Set Security	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%. Or, if contracted services, purchased in MI from MI vendor.
Scouting	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Travel Fares	YES	If purchased through travel agency / company based in MI. Each trip or leg of round trip must originate or terminate in MI.
Airfare Rates	YES	If purchased through travel agency / company based in MI. Each trip or leg of round trip must originate or terminate in MI.
Hotels	YES	If purchased in MI from MI vendor.
Per Diems	NO	Not subject to taxation in MI, thus, ineligible. (See Department FAQ Fi14).
Meals	YES	If purchased in MI from MI vendor.
Extras Catering	YES	If purchased in MI from MI vendor.
Off Production	YES	If purchased in MI from MI vendor.
Catering Assistants	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Entertainment/Gratuities	YES	If purchased in MI from MI vendor. Must be directly attributable to production or distribution of qualified production.
Film Shipping	YES	If purchased in MI from MI vendor
Shipping Negative	YES	If purchased in MI from MI vendor.
Baggage/Equipment Shipping	YES	If purchased in MI from MI vendor.
Mileage	YES	Reimbursements for actual mileage incurred in MI at pre-established reimbursement rates per mile. Must be directly attributable to production or distribution of qualified production. Ineligible if paid as straight pre-determined per diem.

Description	Eligible?	Comments
Parking	YES	Reimbursements for parking expenses incurred at MI locations or payments for leased parking spaces at MI locations. Must be directly attributable to production or distribution of qualified production. Ineligible if paid as straight pre-determined per diem.
Location Restoration	YES	If purchased in MI from MI vendor.
Purchases	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Office Supplies & Equipment	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Rentals	YES	If purchased in MI from MI vendor.
Office Space Michigan	YES	If purchased in MI from MI vendor.
Utilities	YES	If purchased in MI from MI vendor.
Cleaning	YES	If purchased in MI from MI vendor.
Art Dept Office	YES	If purchased in MI from MI vendor.
Set Dec/Props Warehouse	YES	If purchased in MI from MI vendor.
Construction Mill	YES	If purchased in MI from MI vendor.
Postage	YES	If purchased in MI from MI vendor.
Install Phone Systems	YES	If purchased in MI from MI vendor.
Phone Charges	YES	If purchased in MI from MI vendor.
Cell Phone Charges	YES	If purchased in MI from MI vendor.
Office Equipment Rental	YES	If purchased in MI from MI vendor.
IT Services	YES	If purchased in MI from MI vendor.

VIDEOTAPE

Supervision	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Technical Director	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Video Operator	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Video Recordist	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Additional Labor	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Purchases	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Supplies	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Rentals	YES	If purchased in MI from MI vendor.
Video Assist Package	YES	If purchased in MI from MI vendor.
Video Transfers	YES	If purchased in MI from MI vendor.
Video Editing	YES	If purchased in MI from MI vendor.
Video Contact	YES	If purchased in MI from MI vendor.

TRANSPORTATION

Transportation Coordinator	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Captains	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Studio Drivers	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Location Drivers	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.

Description	Eligible?	Comments
Repairs/Maintenance	YES	If purchased in MI from MI vendor.
Repairs	YES	If purchased in MI from MI vendor.
Car Wash	YES	If purchased in MI from MI vendor.
Pickup Service	YES	If purchased in MI from MI vendor.
Taxis	YES	If purchased in MI from MI vendor.
Car Pickups	YES	If purchased in MI from MI vendor.
Gas and Oil	YES	If purchased in MI from MI vendor.
Genny Gas and Oil	YES	If purchased in MI from MI vendor.
Tolls and Road Permits	YES	If purchased in MI from MI vendor.
Purchases	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Honeywagon Supplies	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Studio Trucks & Vehicles	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Location Vehicles	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Cranes and Insert Car	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Insert Car	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Camera Cars	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.

FILM AND LAB

Raw Stock	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Steadicam	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Negative Develop	YES	If purchased in MI from MI vendor.
Positive Printing	YES	If purchased in MI from MI vendor.
¼" Sound Tape	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Sound Transfers	YES	If purchased in MI from MI vendor.
Video Cassette Dailies	YES	If purchased in MI from MI vendor.
Telecine Transfers	YES	If purchased in MI from MI vendor.
Polaroid – All Department	YES	If purchased in MI from MI vendor.

FACILITY EXPENSES

Studio Telephone Installation	YES	If purchased in MI from MI vendor.
Studio Phone Charges	YES	If purchased in MI from MI vendor.
Post Phone Charges	YES	If purchased in MI from MI vendor.
Messengers	YES	If purchased in MI from MI vendor.
Outside Facility	YES	If purchased in MI from MI vendor.
Stage Use/Licensing Agreement	YES	If purchased in MI from MI vendor.
Stage includes Power/Security	YES	If purchased in MI from MI vendor.
Prep/Strike	YES	If purchased in MI from MI vendor.

Description	Eligible?	Comments
Shoot	YES	If purchased in MI from MI vendor.
Power	YES	If purchased in MI from MI vendor.
Backlot Rental	YES	If purchased in MI from MI vendor.
Dressing Room Rental	YES	If purchased in MI from MI vendor.
Parking Space Rental	YES	If purchased in MI from MI vendor.
Prep – Parking	YES	If purchased in MI from MI vendor.
Shoot – Parking	YES	If purchased in MI from MI vendor.
Other Studio Facilities	YES	If purchased in MI from MI vendor.
Studio Personnel Charges	YES	If purchased in MI from MI vendor.
Dumpsters, Cleaning	YES	If purchased in MI from MI vendor.
IT Services	YES	If purchased in MI from MI vendor.

SECOND UNIT

Second Unit Director	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Cast Talent	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Production Staff	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Camera	YES	Labor: Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%. Materials: If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Art Department	YES	Labor: Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%. Materials: If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Construction	YES	Labor: Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%. Materials: If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Special Effects	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Set Operations	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Electrical	YES	Labor: Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%. Materials: If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Set Dressing	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Props	YES	Labor: Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%. Materials: If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Pic Vehicles and Animals	YES	Labor: Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%. Materials: If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Extras	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.

Description	Eligible?	Comments
Wardrobe	YES	Labor: Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident ($>$ 60 days before agreement) 40%, else 30%. Materials: If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Makeup and Hair	YES	Labor: Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident ($>$ 60 days before agreement) 40%, else 30%. Materials: If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Sound	YES	Labor: Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident ($>$ 60 days before agreement) 40%, else 30%. Materials: If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Locations	YES	If purchased in MI from MI vendor.
Video Tape	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Transportation	YES	If purchased in MI from MI vendor.
Raw Stock/Develop	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Post Production Labor	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident ($>$ 60 days before agreement) 40%, else 30%.

SPECIAL UNIT

Talent	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident ($>$ 60 days before agreement) 40%, else 30%.
Staff	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident ($>$ 60 days before agreement) 40%, else 30%.
Labor	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident ($>$ 60 days before agreement) 40%, else 30%.
Transportation	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident ($>$ 60 days before agreement) 40%, else 30%. Or if services, purchased in MI from MI vendor.
Contract	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident ($>$ 60 days before agreement) 40%, else 30%.
Locations	YES	If purchased in MI from MI vendor.
Raw Stock/Develop	YES	If purchased in MI from MI vendor.
Purchases	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Rentals	YES	If purchased in MI from MI vendor.
Miscellaneous Expense	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.

FRINGES-SHOOTING PERIOD

Health & Welfare, Pension	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident ($>$ 60 days before agreement) 40%, else 30%.
Local Hire Fringes	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident ($>$ 60 days before agreement) 40%, else 30%.
Accrued Holiday & Vacation	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident ($>$ 60 days before agreement) 40%, else 30%. Must have accrued during period after approval of agreement for credit.

Description	Eligible?	Comments
FICA – Employee Portion	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Workmen's Comp	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Union Dues	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Meal Penalties	YES	Part of compensation.

POST PRODUCTION

EDITING & PROJECTION

Film Editor	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Assistant Film Editors	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Conforming	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Post Production Supervisor	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Projectionist	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Coding and Misc Editorial	YES	If purchased in MI from MI vendor.
Coding Equipment	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Sound Effects Edition	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%. Or if services, purchased in MI from MI vendor.
ADR Editing	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%. Or if services, purchased in MI from MI vendor.
Production Assistant	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Negative Cutting	YES	If purchased in MI from MI vendor.
Music Editors	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Post Ship	YES	If purchased in MI from MI vendor.
Local Messenger	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Living Expenses (paid by employer)	YES	Part of compensation. Ineligible if paid as straight pre-determined per diem.
Continuity Expenses	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Purchases	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Expendables	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Rentals	YES	If purchased in MI from MI vendor.
Editorial Room Rentals	YES	If purchased in MI from MI vendor.
Editors' KEN/Equipment	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Bins, Sync, Racks	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.

Description	Eligible?	Comments
Lightworks System	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Equip, Deliver/Pickup	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Sound Editors' Room	YES	If purchased in MI from MI vendor.
Music Editors' Room	YES	If purchased in MI from MI vendor.
Other Equipment	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.

MUSIC

Clearances	YES	If purchased in MI from MI owner of rights / vendor.
Writers	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Composers	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Supervisor	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Arrangers	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Copyists	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Pre-Score Musicians	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Underscore Musicians	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Star Vocalist	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Vocalists	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Music Editing	YES	If purchased in MI from MI vendor.
Living Expenses (paid by employer)	YES	Part of compensation. Ineligible if paid as straight pre-determined per diem.
Purchases	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Cassettes	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Rental and Cartage	YES	If purchased in MI from MI vendor.

SOUND (POST PRODUCTION)

Dubbing Stage	YES	If purchased in MI from MI vendor.
Temp Dub	YES	If purchased in MI from MI vendor.
Pre Dub	YES	If purchased in MI from MI vendor.
Final Dub	YES	If purchased in MI from MI vendor.
Post Preview/Session	YES	If purchased in MI from MI vendor.
Foreign Mu/Fx	YES	If purchased in MI from MI vendor.
DTS	YES	If purchased in MI from MI vendor.
Overtime & Weekend	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
ADR Stage	YES	If purchased in MI from MI vendor.
Foley Efx Recording	YES	If purchased in MI from MI vendor.
Walkers	YES	If purchased in MI from MI vendor.
Video Transfer	YES	If purchased in MI from MI vendor.
Tape Transfer	YES	If purchased in MI from MI vendor.

Description	Eligible?	Comments
Dubbing	YES	If purchased in MI from MI vendor.
Living Expenses (paid by employer)	YES	Part of compensation. Ineligible if paid as straight pre-determined per diem.
Purchases	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Equipment Rental	YES	If purchased in MI from MI vendor.
Dolby Cards	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
DTS Fee	YES	If purchased in MI from MI vendor/agent.
License Fee	YES	If purchased in MI from MI vendor/agent.
Dolby License	YES	If purchased in MI from MI vendor/agent.
DTS License	YES	If purchased in MI from MI vendor/agent.
SDDS License	YES	If purchased in MI from MI vendor/agent.

FILM AND STOCK SHOTS

Film Leader	YES	If purchased in MI from MI vendor.
Stock Shot Purchase	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Stock Shots Labor	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Stock Shots Film & Process	YES	If purchased in MI from MI vendor.
Reprints	YES	If purchased in MI from MI vendor.
Lab Special Handling	YES	If purchased in MI from MI vendor.
Video Cassettes/Tape	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Reversal Dups	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Tape Purchase	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Optical Sound Track	YES	If purchased in MI from MI vendor.
Reference Print	YES	If purchased in MI from MI vendor.
Protection Dups	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Composite Print	YES	If purchased in MI from MI vendor.
Laboratory Overtime	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Negative Splicing	YES	If purchased in MI from MI vendor.
Answer Prints	YES	If purchased in MI from MI vendor.
Check Print	YES	If purchased in MI from MI vendor.
Interpositive	YES	If purchased in MI from MI vendor.
Protection Master – YCM	YES	If purchased in MI from MI vendor.
Master Positive/YCM	YES	If purchased in MI from MI vendor.

VISUAL EFFECTS

Visual Effects Supervisor	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Miniatures	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Wire Removal	YES	If purchased in MI from MI vendor.

Description	Eligible?	Comments
Matte	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Purchases	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Misc Expenses	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.

TITLES, OPTICALS, INSERTS

Main & End Titles	YES	If purchased in MI from MI vendor.
Title Designer	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident ($>$ 60 days before agreement) 40%, else 30%.
Optical Effects	YES	If purchased in MI from MI vendor.
Inserts	YES	If purchased in MI from MI vendor.
Trademarks and Rating	YES	If purchased in MI from MI vendor.
Optical Development	YES	If purchased in MI from MI vendor.

FRINGES-POST PRODUCTION

Retroactive Pay	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident ($>$ 60 days before agreement) 40%, else 30%. Must relate to period after approval of agreement for credit.
Health & Welfare, Pension	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident ($>$ 60 days before agreement) 40%, else 30%.

OTHER

INSURANCE

Cast Insurance	YES	If purchased from agent based in MI.
Negative Insurance	YES	If purchased from agent based in MI.
Extra Expense	YES	If purchased from agent based in MI.
Marine and Aircraft	YES	If purchased from agent based in MI.
Bonding	YES	If purchased from agent based in MI.

UNIT PUBLICITY

Unit Publicist	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident ($>$ 60 days before agreement) 40%, else 30%.
Publicity Contact	YES	If purchased in MI from MI vendor.
Outside Photographer	YES	Payment and comp. \leq \$2,000,000.00 for any 1 employee. MI resident ($>$ 60 days before agreement) 40%, else 30%.
Stills Film and Processing for Shoot	YES	If purchased in MI from MI vendor.

GENERAL EXPENSES

MPAA Seal	NO	Not a purchase in MI from MI vendor.
Work Order Transfers	YES	If purchased in MI from MI vendor.
Legal Fees	YES	If purchased in MI from MI based firm for matters relating to production or distribution of qualified production.
Bank/Exchange Costs	YES	If incurred from financing through MI financial institution. Does not include interest payments or obligations beyond date credit certificate issued. (See Department FAQ Fi12).
Professional Fees	YES	If purchased in MI from MI based firm for matters relating to production or distribution of qualified production.
Post Production Audit for Incentive	NO	Not an expenditure directly attributable to the production or distribution of qualified production.

Description	Eligible?	Comments
Studio Entertainment	YES	If purchased in MI from MI vendor.
Bank Interest	YES	If incurred from financing through MI financial institution. Does not include interest payments or obligations beyond date credit certificate issued. (See Department FAQ Fi12).
Preview Expenses	YES	If purchased in MI from MI vendor.
Previews	YES	If purchased in MI from MI vendor.
Office Purchases	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Computers and Software	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
Office Space Rental	YES	If purchased in MI from MI vendor.
Post Office	YES	If purchased in MI from MI vendor.
Office Equipment Rental	YES	If purchased in MI from MI vendor.
IT Services	YES	If purchased in MI from MI vendor.
Post Office Equipment	YES	If purchased in MI from MI vendor. Only that portion directly attributable to and used in qualified project; prorated useful life to qualified production, and net of proceeds from any resale of items.
OSHA Safety	YES	If purchased in MI from MI vendor.
Wrap Party	YES	If purchased in MI from MI vendor. Must be directly attributable to production or distribution of qualified project.

FRINGES – OTHER

BTL Studio Fringes	YES	Included in compensation, which must be \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Health & Welfare, Pension	YES	Included in compensation, which must be \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
ATL Studio Fringes	YES	Included in compensation, which must be \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.
Local Hire Fringes	YES	Included in compensation, which must be \leq \$2,000,000.00 for any 1 employee. MI resident (> 60 days before agreement) 40%, else 30%.

Michigan Film and Digital Media Production Tax Credit Budget Report

SAMPLE

XYZ Production Company
Motion Picture Title
PP # 999-2009

DATE:

		ATL, MI Expenditures, MI BTL - Core Community (42% Credit)	ATL, MI Expenditures, MI BTL - Non-Core Community (40% Credit)	Non-MI BTL (30% Credit)	Non-MI Expenditures (Ineligible)	Total Budget
Above the Line (ATL)						
11-00	Story Rights	\$ -	\$ -	\$ -	\$ 10,000	\$ 10,000
12-00	Producers	\$ 400,000	\$ 240,000	\$ 10,000	\$ -	\$ 650,000
13-00	Director	\$ 350,000	\$ 170,000	\$ -	\$ -	\$ 520,000
14-00	Cast / Talent	\$ 545,000	\$ 578,000	\$ -	\$ 195,000	\$ 1,318,000
15-00	ATL Travel & Living	\$ 13,000	\$ 80,000	\$ -	\$ -	\$ 93,000
19-99	Total Fringes	\$ 71,000	\$ 75,000	\$ -	\$ 23,000	\$ 169,000
Total Above the Line Budget		\$ 1,379,000	\$ 1,143,000	\$ 10,000	\$ 228,000	\$ 2,760,000
Below the Line (BTL)						
20-00	Extras & Crowds	\$ 65,000	\$ -	\$ -	\$ -	\$ 65,000
21-00	Production Staff	\$ 72,000	\$ 20,000	\$ 250,000	\$ -	\$ 342,000
22-00	Art Department	\$ 6,000	\$ 2,000	\$ 33,000	\$ -	\$ 41,000
23-00	Set Construction	\$ 15,000	\$ 25,000	\$ 1,000	\$ -	\$ 41,000
24-00	Set Operations	\$ 69,000	\$ 11,000	\$ 15,000	\$ -	\$ 95,000
25-00	Special Effects	\$ -	\$ 10,000	\$ 45,000	\$ -	\$ 55,000
26-00	Set Dressing	\$ 11,000	\$ 53,000	\$ 41,500	\$ -	\$ 105,500
27-00	Props	\$ 3,245	\$ 29,000	\$ -	\$ -	\$ 32,245
28-00	Animals & Picture Vehicles	\$ -	\$ 3,750	\$ -	\$ -	\$ 3,750
29-00	Wardrobe	\$ 8,560	\$ 17,895	\$ 43,750	\$ -	\$ 70,205
30-00	Makeup & Hairdressing	\$ 2,700	\$ 4,790	\$ 38,000	\$ -	\$ 45,490
31-00	Lighting	\$ 56,000	\$ 163,900	\$ 39,050	\$ -	\$ 258,950
32-00	Camera	\$ 37,750	\$ 53,200	\$ 98,000	\$ -	\$ 188,950
33-00	Electrical	\$ 21,500	\$ 79,500	\$ -	\$ -	\$ 101,000
34-00	Production Sound	\$ 4,000	\$ 29,000	\$ 148,000	\$ -	\$ 181,000
35-00	Transportation	\$ 58,000	\$ 157,000	\$ 65,000	\$ 50,000	\$ 330,000
36-00	Special Photography	\$ -	\$ -	\$ -	\$ -	\$ -
37-00	Location	\$ 5,000	\$ 96,755	\$ -	\$ -	\$ 101,755
38-00	Stages & Facilities	\$ -	\$ 16,570	\$ -	\$ -	\$ 16,570
39-00	BTL Production Travel & Living	\$ -	\$ 168,495	\$ 67,500	\$ 55,000	\$ 290,995
40-00	Second Unit	\$ -	\$ -	\$ -	\$ -	\$ -
49-99	Total Fringes	\$ -	\$ -	\$ 443,000	\$ -	\$ 443,000
Total Below the Line Budget		\$ 434,755	\$ 940,855	\$ 1,327,800	\$ 105,000	\$ 2,808,410
Post Production						
50-00	Film Editing	\$ 28,850	\$ -	\$ 5,900	\$ -	\$ 34,750
51-00	Music	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000
52-00	Sound Editing	\$ 45,675	\$ -	\$ 21,400	\$ -	\$ 67,075
53-00	Film Lab	\$ 23,595	\$ -	\$ 12,000	\$ 12,000	\$ 47,595
54-00	Titles	\$ 4,000	\$ -	\$ -	\$ -	\$ 4,000
55-00	Visual Effects	\$ 75,000	\$ -	\$ 32,000	\$ 21,540	\$ 128,540
56-00	Sound Effects	\$ 54,000	\$ -	\$ 16,500	\$ 15,665	\$ 86,165
Total Post Production		\$ 251,120	\$ -	\$ 87,800	\$ 49,205	\$ 388,125
Other						
60-00	General Expenses	\$ -	\$ 39,700	\$ -	\$ -	\$ 39,700
61-00	Publicity	\$ -	\$ 15,000	\$ -	\$ 110,000	\$ 125,000
62-00	Legal & Accounting	\$ -	\$ 15,000	\$ -	\$ 35,000	\$ 50,000
63-00	Insurance	\$ -	\$ 125,000	\$ -	\$ -	\$ 125,000
64-00	Completion Bond	\$ -	\$ -	\$ -	\$ -	\$ -
65-00	Financing Fees and Interest	\$ -	\$ 15,500	\$ -	\$ -	\$ 15,500
Total Other		\$ -	\$ 210,200	\$ -	\$ 145,000	\$ 339,700
Total ATL		\$ 1,379,000	\$ 1,143,000	\$ 10,000	\$ 228,000	\$ 2,760,000
Total BTL		\$ 434,755	\$ 940,855	\$ 1,327,800	\$ 105,000	\$ 2,808,410
Total Post Production		\$ 251,120	\$ -	\$ 87,800	\$ 49,205	\$ 388,125
Total Other		\$ -	\$ 210,200	\$ -	\$ 145,000	\$ 355,200
Total Credit Expenditures		\$ 2,064,875	\$ 2,294,055	\$ 1,425,600	\$ 527,205	\$ 6,311,735
Credit Percentage		42%	40%	30%	0%	
Projected Credit Amount		\$ 867,248	\$ 917,622	\$ 427,680	\$ -	\$ 2,212,550

Michigan Film Production Incentive Income Tax Withholding Obligations

The laws of the State of Michigan impose income tax withholding obligations on all employers for payments made to their employees (MCL 206.351) and on production companies for payments made to "loan-outs" (MCL 206.367). Michigan requires income tax withholding payments to be made under the account registration of the person legally required to withhold.

Some payroll service companies (PSC) take on the role of employer under certain circumstances pursuant to the Internal Revenue Code ("IRC"). To the extent a production company's contract with a PSC meets the IRC provisions establishing the PSC as the employer the PSC should file Michigan income tax withholding under their account registration. To the extent the PSC does not meet the requisite IRC provisions, Michigan income tax withholding must be recorded under the account registration of the employer, which would be the production company.

With respect to Michigan income tax withholding on payments to "loan-outs," statute specifically imposes the legal obligation on the production company. Unlike payments to employees there are no IRC provisions that modify that obligation in any way. As a result, Michigan income tax withholding on payments made to "loan-outs" must be recorded under the account registration of the production company.

If a production company engages a service company to make withholding returns and tax payments to the State of Michigan for payments made to employees of the production company or to "loan-outs," those payments may be transferred to the production company's account by completing form 4737 Michigan Income Tax Withholding Transfer Authorization and Report for Payments Made on Behalf of Employees and Loan-Out Companies.

Section 455 of the Michigan Business Tax Act ("MBT") contains the film production credit provisions, including a requirement that the eligible production company not be delinquent in a tax or other obligation owed to this state. MCL 208.1455(1)(e). Therefore, proper withholding taxes must be paid to avoid losing your production credit.

To ensure proper posting of payments, please write the correct tax identification number on the check and make the check payable to the State of Michigan.

Registration for Michigan taxes can be completed on-line at:
http://www.michigan.gov/taxes/0,1607,7-238-43519_43521-155361--,00.html .

Questions regarding the registration process for Michigan taxes may be directed to Julie Thelen, Film Credit Analyst, Michigan Department of Treasury by e-mail at ThelenJU@Michigan.gov, or by telephoning 517-241-1790.