

## **PROCESS FOR CLAIMING THE CERTIFIED MEDIA PRODUCTION BENEFITS**

(See 5 MRSA § 13090-L; 36 MRSA § 5219-Y and Chapter 919-A)

The certified media production tax incentive program creates a two-part benefit package for qualified companies conducting certified media production in Maine. Part one is a partial reimbursement of wages paid to employees working on a certified media production. Generally, companies are reimbursed 12% of wages paid to employees who are residents of Maine and 10% of wages paid to nonresidents. Part two is a credit for all Maine income taxes that would otherwise have been assessed against the income associated with the certified production. The process required to receive these benefits is outlined as follows.

**Certificates.** The qualified business must obtain two separate certifications from the Department of Economic and Community Development (DECD). The first certificate is applied for prior to the start of the media production. A media production certificate is issued to the qualified media production company if all initial eligibility requirements are met. Once the media production certificate is obtained, the business may begin the qualified production. Within 28 days after completion of the qualified production, the business must request a tax reimbursement and credit certificate, also from DECD. Once DECD has determined that the business has successfully complied with all of the requirements for a certified media production, a tax reimbursement and credit certificate is issued to the business. Further information may be obtained at [www.filminmaine.com](http://www.filminmaine.com).

**Certified media production wage reimbursement.** The reimbursement of wages must be applied for separately from the income tax return. To claim the wage reimbursement, the business must file a reimbursement application, Form 841ME and Schedule 2, with Maine Revenue Services (MRS) within 42 days following the receipt of a tax reimbursement and credit certificate from DECD. The application filed with MRS must contain a list of names, social security numbers, and wages paid to each certified production employee. In addition, the business must indicate which employees are not residents of Maine. Eligible reimbursements will be paid within 90 days of the receipt of Form 841ME and Schedule 2.

**Certified media production income tax credit.** The income tax credit is claimed on the Maine income tax return after obtaining a tax reimbursement and credit certificate from DECD. The credit is available to corporations through Form 1120ME and is available to individual owners/members of pass-through entities and sole proprietors through Form 1040ME. If the certified media production is the only activity in Maine for the business, there will be no income tax due to Maine. If the business realizes other Maine source income, the credit will be apportioned according to the percentage of Maine compensation associated with the certified media production. Also, if the business is a C corporation and has unitary affiliates, the entire group must file a combined report with Maine on Form CR, which is attached to Form 1120ME. Along with the Maine income tax return (1120ME, 1040ME) and tax reimbursement credit certificate, the business must also include a copy of the qualified media production certificate issued by DECD. In addition, the certified media production tax reimbursement and credit worksheet (available online at [www.maine.gov/revenue](http://www.maine.gov/revenue)) must accompany the Maine income tax return.