



Film Incentive Program Procedures & Definitions

The Colorado Film Incentive program is a performance based incentive plan that may rebate up to 10% of the cost of producing a film, documentary or television program when that project is filmed in Colorado.

All production companies seeking to participate in the Film Incentive Program rebate must complete and submit a **“Statement of Intent”** to the Colorado Office of Film, Television & Media, which will review and process the applications for the Colorado office of Economic Development and the Colorado Council on the Arts. **All applications should be submitted at least 4-6 weeks prior to commencing principle work on the project.**

The production company must be notified, in writing, that their “Statement of Intent” has been approved by the Colorado Office of Film Television & Media prior to commencing principal work on the project. A failure to obtain this approval prior to the beginning of principle production activities may result in a forfeiture of any funds reserved for that specific project.

The amount of the rebate cannot exceed the amount of available funding provided by the Colorado legislature for this program.

1. Definition of Terms:

“Film” means any visual or audiovisual work, including, without limitation, a video game, that contains a series of related images, regardless of the medium by which the work is fixed and from which it can be viewed or reproduced, and that is primarily intended to be either:

- (a) Commercially exploited by being shown in theaters, licensed for television exhibition, licensed for the home market or otherwise; or
- (b) For internal industrial, corporate or institutional use.

b. “Production Activities” – means the shooting of a film, support activities related to such shooting, and any pre-shooting or photo-shooting activities that are necessary to produce a finished film, including, but not limited to, editing and the creation of sets, props, costumes, and special effects.

c. “Production Company” – means a person including a corporation or other business entity that engages in production activities for the purpose of producing all or any portion of a film in Colorado.

d. “Qualified Local Expenditure” – means a payment made by a production company in Colorado to a business in Colorado in connection with the production of a film that the production company is producing in Colorado. “Qualified Local Expenditure” shall include, but not limited to:

- i. **Payments** made in connection with developing or purchasing the story and scenario to be used for a film;
- ii. **Payments** made for the costs of set construction and operations, wardrobe, accessories, and related services;
- iii. **Payments** made for the costs of photography, sound synchronization lighting and related services.
- iv. **Payments** made for the costs of editing, post-production, music and related services
- v. **Payments** made for the costs of renting facilities and equipment, including location fees, leasing/renting vehicles and providing food and lodging to people working on the film production
- vi. **Payments** for airfare purchased through a Colorado based travel agency or company
- vii. **Payments** for insurance and bonding purchased through a Colorado based agent
- viii. **Payments** for other direct costs incurred by the film production that are deemed appropriate by the Colorado Office of Film, Television & Media and the Colorado Council on the Arts.

e. **“Qualified Payroll Expenditure”** means an expenditure made by a production company to pay the salaries of actors, management and crew who participate in film production activities and who are Colorado residents.

2. Colorado Screen Credit

In addition to the minimum spending and hiring requirements, listed below, the production company agrees that the closing credits will contain an acknowledgement that the production was filmed in Colorado unless waived by the Colorado Office of Film, Television & Media based on the nature of the production.

3. Script Content

The production company agrees that the script cannot be obscene in nature. In order to ensure the script is not obscene a copy of the script must be submitted at the time of the “Statement of Intent”. If major script revisions are made to the submitted script after the project has received “conditional approval” the revised script must be submitted to the Office of Film, Television & Media as soon as practical for review.

4. Financial Obligations

The production company agrees that by submitting the “Statement of Intent” to the Colorado Office of Film, Television & Media and that seeking a rebate from the State of Colorado that they shall agree to pay all obligations the film production company has incurred in the State of Colorado.

5. Minimum Spending Requirements – Colorado Origination of Film

For a production company that originates the film production in Colorado, the total amount of the production company’s qualified local expenditures and qualified payroll expenditures must be at least \$100,000.

- a. For a production company that does **not** originate the film production activities in

Colorado, the total amount of the production company's qualified local expenditures and qualified payroll expenditures must be at least \$1 million.

- b. The Colorado Office of Film, Television & Media will determine whether a production company "originates" a film production in Colorado based on the state in which that production company is headquartered and has its principal place of business.

6. Required Percentage of Expenditures and Payroll in Colorado

To be eligible for the incentive, a production company must spend at least 75 percent of its "below-the-line" production expenditures for a film on qualified local expenditures. It must also spend at least 75 percent of its "below-the-line" payroll expenditures for a film on qualified local payroll expenditures, as these terms are defined above.

7. Application Process – "Statement of Intent"

- a. The production company shall submit a complete "Statement of Intent" application to the Colorado Office of Film, Television & Media at least four to six weeks before any work begins on that project in Colorado.
- b. The Colorado Office of Film, Television & Media will review each application submitted by a production company. Based on the application the Colorado Office of Film, Television & Media shall make an initial recommendation of whether the production company will be eligible to receive the incentive and will estimate the amount of the incentive that will be due to the production company within Ten (10) days of receipt of a completed "Statement of Intent" application. The Office of Film, Television and Media will then issue the production company Conditional Written Approval within 14 days if it appears likely the application will be approved based on the information submitted.
- c. The Colorado Office of Film, Television & Media will set aside funds for each conditionally approved project until funding is exhausted for that fiscal year to ensure that productions receiving preliminary conditional approval will have funds available to them upon completion of their projects. Under no circumstances will any funds be released until after all production related activities within Colorado are completed and final documentation is provided to the Colorado Office of Film, Television & Media and the Colorado Council on the Arts and has received their final approvals.

8. Application Process – Final Application

Within Ninety (90) days of completion of production activities in Colorado, a production company that has received conditional approval for a performance-based incentive from the Colorado Office of Film, Television & Media shall submit a "**Final Application**" including financial documents to the Colorado Office of Film, Television & Media. That "final application" will detail the expenses incurred in the course of the film production activities in Colorado. Information that the production company must provide to the Colorado Office of Film, Television & Media as part of the "final application" includes:

- i. A Ledger listing all businesses the production dealt with in Colorado and the amount spent with each vendor (full vendor names and addresses must be clearly legible!)
- ii. Declaration of Colorado Residency forms including copies of proof of residency (attached to the Declaration of Residency forms), sorted alphabetically by last name.
- iii. A detailed list of all crew working on the production including state of residency for each crewmember
- iv. Total budget for the production
- v. Total dollar amount spent in Colorado
- vi. Total Colorado below-the-line payroll figure

- vii. Total number of Colorado crewmembers hired
- viii. Average crew size (per day) for prep and shoot
- ix. Number of prep days and number of shoot days (please include dates)
- x. List of all Colorado cities used for locations

b. The production company will also provide a signed **affidavit** stating that the financial documents provided are an accurate accounting of the production company’s qualified local expenditures and qualified payroll expenditures. If the amount of the production company’s actual qualified local expenditures and qualified payroll expenditures equal or exceed the production company’s projected qualified local expenditures and local qualified payroll expenditures submitted to the Colorado Office of Film, Television & Media in the production company’s approved “Statement of Intent,” the Colorado Film Commission shall forward to the Colorado Council on the Arts a recommendation that the incentive be issued to the production company.

c. Upon receipt of a “Final Application” the Colorado Office of Film, Television & Media will have 30 days to review the application. If the Colorado Office of Film requires additional information, the review period will be extended until the Office has enough information to make a final recommendation. Once a recommendation has been made, that recommendation will be forwarded to the Colorado Council on the Arts for action.

d. The Colorado Council on the Arts shall have 45 days to review the information and take action upon receipt of a “Final Application” and an affirmative recommendation from the Colorado Office of Film, Television & Media.

e. Failure to file a completed “Final Application” to the Colorado Office of Film, Television & Media within ninety (90) days of completion of the project may result in a forfeiture of any funds reserved for that specific project.

9. Other Terms and Conditions

a. A production company with a Conditional Approval shall notify the Colorado Office of Film, Television & Media promptly if the project is cancelled or otherwise becomes ineligible for the projected incentive, so that funds earmarked for that project may be released.

b. The Colorado Office of Film, Television & Media, the Colorado Council on the Arts, the Colorado Office of Economic Development, or their designee, may audit the accounts of a production up to 12 months following payment of an incentive to ensure compliance with the terms and conditions of this program.

c. A Conditional Approval may be cancelled if the production company violates the terms of the agreement.

These definitions and procedures have been adopted by the Colorado office of Film, Television & Media are pending before the Colorado Council on the Arts.