



Missouri Department of
Economic Development



SHOW MO ACT

Motion Media Production Tax Credit Program

Guidelines

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I. Purpose

The purpose of the Motion Media Production Tax Credit is to recruit qualified production projects to film and conduct postproduction for the project in Missouri. The Missouri Department of Economic Development (DED), together with the Missouri Film Office, administer the Motion Media Production Tax Credit Program (Program).

A previous film production tax credit was in existence in Missouri from 1999 through 2013, when it expired. This Program was enacted in 2023 through the Show MO Act, § 135.750 RSMo. An eligible project may receive a tax credit in amount equal to 20% to 42% of qualifying expenses. DED and the Missouri Film Office cannot authorize more than \$16 million in tax credits in any tax year (January 1 to December 31).

II. Definitions

- A. **Above-the-Line Individual:** Any individual hired or credited on screen for a qualified motion media production project as any type of producer, principal cast that is at a Screen Actors Guild schedule F and above payment rate, screenwriter, and the director.
- B. **Blighted Area:** an area which, by reason of the predominance of unsanitary or unsafe conditions, deterioration of site improvements, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, or welfare in its present condition and use.
 - i. **Enhanced Enterprise Zone:** A zone established under §§ 135.950-.970 RSMo. Enhanced Enterprise Zones require a finding that the area is blighted and are in existence up to 25 years. [[Link to map](#)]
 - ii. **Local TIF Project Area:** A local tax increment financing (TIF) redevelopment area established pursuant to §§ 99.800-.865 RSMo that was determined by the applicable municipality to be a blighted area as defined in § 99.805(1) RSMo.

- C. **Call sheet:** a document sent out to the cast and crew for each day of filming that outlines the times and location details for the following shoot day. It also outlines the daily shooting schedule for the day, informs the cast and crew of weather conditions, parking regulations, and all other pertinent details.
- D. **County Classification System:** The system by which Missouri counties are divided into five designations, as set forth in Missouri Constitution article VI §§ 8 and 18(a), and chapter 48 RSMo. See Appendix for a county classification map.
- D. **Day Out Of Days (DOOD):** a chart that marks actors' and crew "works days," used as an organizational document.
- E. **Program:** The Motion Media Production Tax Credit Program created by the Show MO Act, § 135.750 RSMo.
- F. **Proof of Financing:** An agreement between a bank, financial institution, or other investment source and the project producer(s) declaring the terms of the agreement, including when the agreement was made, the amount of funds to be provided, and a time frame for providing them **OR** proof of an escrow account with the funds available for the production of the project.
- G. **Qualified Motion Media Production Project:** An eligible motion media production project that has been authorized for tax credits under this Program.
 - i. **Film Production Projects:** The following types of eligible production projects shall be under the \$8 million annual cap for film production:
 - a. Theatrical release feature film
 - b. Network TV feature film
 - c. Video on demand (VOD) feature film
 - d. Documentary feature film
 - e. Short films
 - f. Commercials
 - g. Independent Feature Films
 - h. Animated Films
 - i. Standalone post production of VFX

ii. **Series Production Projects:** The following types of eligible production projects shall be under the \$8 million annual cap for series production:

- a. Network TV pilot
- b. Network TV series
- c. Network TV mini-series
- d. VOD pilot
- e. VOD series
- f. VOD mini-series
- g. Webseries
- h. Documentary pilot
- i. Documentary series

H. **Qualifying Expenses:** The sum of the total amount spent in Missouri for the following by a production company in connection with a Qualified Motion Media Production Project:

- a. Goods and services leased or purchased by the production company. For goods with a purchase price of \$25,000 or more, the amount included in qualifying expenses shall be the purchase price less the fair market value of the goods at the time the production is completed;
- b. Compensation and wages paid by the production company on which the production company remitted withholding payments to the Missouri Department of Revenue under chapter 143, RSMo. Compensation and wages paid to all Above-the-Line Individuals shall be limited to 25 percent of the overall qualifying expenses.

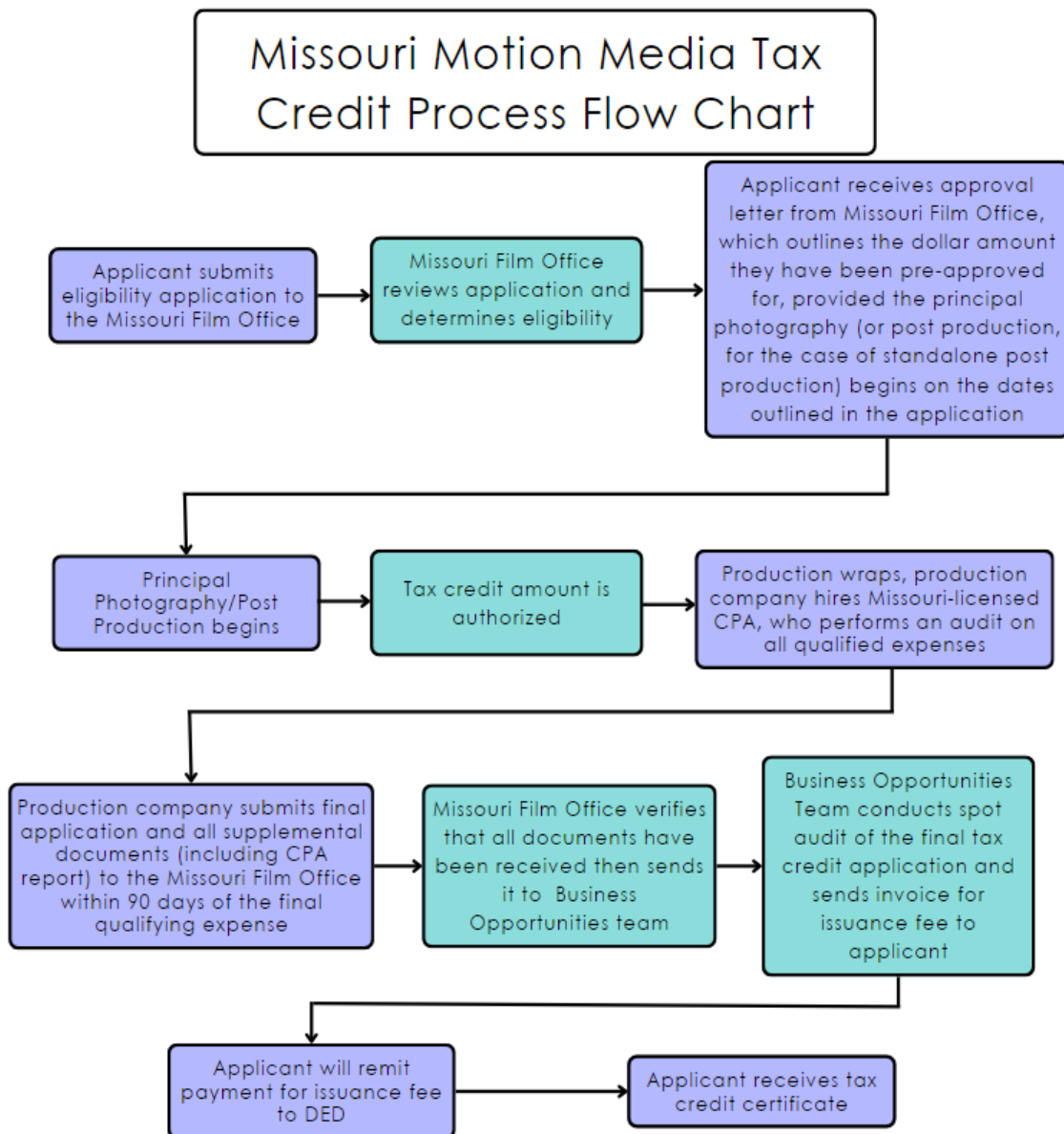
I. **RSMo:** The Revised Statutes of Missouri.

J. **Rural Area:** According to the County Classification System, any area in the state outside of the Charter Counties and St. Louis City. See appendix for county classification map.

K. **Shooting Schedule:** an organizational document that motion media production projects use which includes a breakdown of the scenes, talent, time, cast, company moves, and day breaks.

- L. **Taxpayer:** Any individual, partnership, or corporation as described in section 143.441, 143.471, or section 148.370 RSMo that is subject to the tax imposed in chapter 143 RSMo, excluding withholding tax imposed by sections 143.191 to 143.265 RSMo, or the tax imposed in chapter 148 RSMo, or any charitable organization which is exempt from federal income tax and whose Missouri unrelated business taxable income, if any, would be subject to the state income tax imposed under chapter 143 RSMo.

III. Tax Credit Application Process



IV. Eligible Applicants

Eligible applicants must meet the following requirements:

- A. Be a production company that has registered as a Missouri taxpayer;
- B. Be registered with the Missouri Secretary of State (SOS) to conduct business in Missouri, if applicable to the business entity type, and be in good standing with the SOS;
- C. Have a Missouri Tax ID Number (EIN);
- D. Not be delinquent in taxes owed to the State of Missouri; and
- E. Be enrolled in E-Verify and provide a copy of its signed Memorandum of Understanding with the U.S. Department of Homeland Security to DED and the Missouri Film Office, as required by § 285.530 RSMo¹.

V. Eligible Motion Media Production Projects

- A. Any film, or series production, including videos, commercials, video games, webisodes, music videos, content-based mobile applications, virtual reality, augmented reality, multi-media, and new media, as well as standalone visual effects and post-production for such motion media production project.

The following projects are not eligible for the Program:

- c. News or current events programming;
- d. Talk shows;
- e. Production primarily for industrial, corporate, or institutional purposes, and for internal use;
- f. Live Sports event or live sports program;
- g. Gala presentation or awards show;

¹ The [E-Verify Program](https://e-verify.uscis.gov/enroll/) is currently the only federal work authorization program as described in § 285.530 RSMo. If Applicant is not already enrolled in E-Verify, go to <https://e-verify.uscis.gov/enroll/> to learn what is needed to enroll and enroll in the program. Employer participation is free. Applicant can provide a copy of the entire MOU or it can provide the last few pages starting with the signature page. Include the page(s) with "Information relating to your Company" and "Are you verifying for more than 1 site? If yes, please provide the number of sites verified for in each State", which should be the pages immediately after the signature page.

- h. Infomercial or any production that directly solicits funds;
- i. Political ad;
- j. Production that is considered obscene, as defined in section 573.010 of the Revised Statutes of Missouri (RSMo);

B. Minimum Qualifying Expenses:

- a. Projects that are under thirty (30) minutes/pages in length must have expected Qualifying Expenses in excess of \$50,000
- b. Projects that are over thirty (30) minutes/pages in length must have expected Qualifying Expenses in excess of \$100,000

C. A motion media production project shall not be eligible for tax credits unless such project employs at least the following number of Missouri registered apprentices or veterans residing in Missouri with transferable skills

If qualifying expenses are:	Number of Missouri apprentices or veterans with transferrable skills:
Less than \$5 million	2
\$5 million to \$9,999,999	3
\$10 million to \$14,999,999	6
\$15 million or more	8

D. Please note, the Missouri Film Office, in conjunction with the Kansas City Film Office and the St. Louis Film Office, will provide assistance to production in finding registered apprentices or veterans to hire to fulfill this eligibility requirement.

E. A motion media production project authorized for tax credits must feature a statement and logo designated by DED in the credits of the completed production indicating that the project was filmed in Missouri.

VI. Maximum Tax Credit Percentages Available and Tax Credit Attributes

A. Percentage Tax Credit.

Description	Percentage of Qualifying Expenses	Backup to be provided for eligibility application
Eligible Project base (default tax credit percentage)	20%	n/a
If the production office is located in a county of the second, third, or fourth class, according to the County Classification System [see appendix for map] <u>Excludes:</u> Boone, Buchanan, Camden, Cape Girardeau, Cass, Christian, Clay, Cole, Franklin, Greene, Jackson, Jasper, Jefferson, Platte, St. Charles, St. Francois, , St. Louis, and Taney counties and the City of St. Louis	2% (10% of the 20% base credit)	Address for proposed production office
If at least fifteen (15) percent of the qualified motion media production project that is filmed in Missouri takes place in a rural or blighted area in Missouri. See definitions of Rural Area and Blighted Area. Enhanced Enterprise Zones and Local TIF Project Areas are considered to be blighted areas. [link to an interactive map]	5%	proposed shooting schedule, script, and DOOD in which rural or blighted area is referenced
If at least fifty (50) percent of the qualified motion media project is filmed in Missouri	5%	Proposed shooting schedule, script, and DOOD
If at least three departments of the production hire a Missouri resident ready to advance to the next level in a specialized craft position or learn a new skillset <i>E.g.</i> , if a Missouri resident has previously worked as an art department production assistant and they are hired as an art department coordinator	5%	Resumes of said Missouri residents
If the script of the project positively markets a city or region of Missouri, the entire state, or a tourist attraction located in Missouri AND the project provides no less than five (5) high resolution photographs containing cast with the rights cleared for promotional use by the Missouri Film Office and DED, accompanied by a list with the title of production, location, names, and titles of the individuals shown in the photography, and photographer credit. A photo release form will be provided by the Missouri Film Office.	5%	Description on the Percentage Increase Form (no more than 500 words) explaining why you believe your production should qualify.

B. If a production believes they qualify for any of the percentage increases, they will need to complete the Motion Media Tax Credit – Percentage Increase Form (Eligibility) and attach it to the eligibility application. They will also need to fill out the Percentage Increase form (Final) and attach it to the final application.

C. Tax credit attributes.

A tax credit issued under the Program can offset the taxpayer's tax liabilities under chapter 143 RSMo (income tax, excluding withholding tax imposed by sections 143.191 to 143.265 RSMo) or under chapter 148 RSMo (bank tax, insurance premium tax, other financial institutions tax).

The tax credits may be applied against the above taxes for the year for which certified, and unused credits may be carried forward for up to five (5) tax periods.

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The tax credits may be sold or otherwise transferred to another taxpayer, retaining the same attributes as in the hands of the transferor. To transfer a tax credit, the assignor and assignee must complete a Missouri Tax Credit Transfer Form (Form MO-TF) and submit it to the Missouri Department of Revenue (DOR).

The tax credit is not refundable.

VII. Preliminary Application Process

There is a preliminary application, which is an application for an eligibility determination and the authorization of tax credits for a project. The Program has a \$16 million annual cap, split evenly between Film Production Projects and Series Production Projects. Authorizations will depend on available cap. DED and the Missouri Film Office will provide the forms to be used.

- A. Applicants must submit a Preliminary Application form and accompanying materials to the Missouri Film Office prior to the date of the start of principal photography, or the first day of post-production or VFX for standalone post or VFX projects, or the first day of production for animation projects. Please note, any money spent before the approval letter is received will not count as a qualified expense.
- B. Information asked in the application includes:
 - i. Projected shooting schedule and number of days in Missouri
 - ii. Projected apprentice/veteran hires
 - iii. Open production office date
 - iv. Start principal photography date
- C. Supplemental documents include:
 - i. Script
 - ii. Economic Impact Report (estimated economic impact from the activities of the production project, including on the region of the state in which the production or production-related activities are located, and on the state as a whole)
 - iii. Estimated Qualifying Expenses Worksheet
 - iv. Percentage Increase Form (Eligibility)

- v. Proof of financing for the total production budget
- D. Once the completed preliminary application is received by the Missouri Film Office, an eligibility review will take place.
- E. If the Program cap of \$16 million has not yet been met, and once the Missouri Film Office confirms eligibility, an approval letter will be sent to the production company informing them of the amount of tax credits that have been authorized for the project, as well as the percentage for which they have been authorized.
- The approval letter will outline all of the conditions the production project must meet to be issued the tax credits. Missouri expenditures that were incurred prior to the date that the approval letter was sent out to the film production company will not count as eligible Missouri expenditures that will be included in the tax credit.
- F. The tax credit amount will not be authorized until the production office opens and principal photography begins within fourteen (14) days of the date outlined in the eligibility application. If the production fails to meet these benchmarks, the tax credit approval will be forfeited.

VIII. Final Application Process

A project that has been authorized to receive tax credits and has completed production will submit a final application (for issuance of tax credits), on forms provided by the Film Office and DED.

- A. Once principal photography has wrapped, the applicant must submit their final application form and accompanying materials within ninety (90) days of the last qualified expense incurred in the state to the Missouri Film Office.
- B. The production company shall provide a spreadsheet of detailed Missouri expenditures in the Final/Actual Qualified Expenses Worksheet.
- C. Call sheets for all days worked in Missouri, along with a payroll report showing the names of the people employed by the company in the state of Missouri, the rate at which they were paid, and the hours worked per day or a production report generated by the production company for all pre-production, production, and wrap days, along with a spreadsheet showing hourly and overtime rates

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for all individuals employed in the State of Missouri will need to be submitted along with the Final Film Production Expenditure Report.

- D. Final applications shall be accompanied by a report from an independent certified public accountant (CPA) licensed by the state of Missouri, prepared at the expense of the applicant, attesting that the amounts in the final application are qualifying expenses.
- E. Information asked in the final application includes:
 - i. Actual shooting schedule and number of days in Missouri
 - ii. Verification of apprentice/veteran hires
 - iii. Open production office date and close date
 - iv. Start principal photography date and wrap date
- F. Supplemental documents include:
 - i. Shooting Script
 - ii. Final/Actual Qualifying Expenses Worksheet
 - iii. Call Sheets
 - iv. Percentage Increase Form (Final)
 - v. Notarized CPA report
- G. Once the completed final application is received by the Missouri Film Office, a review will take place. If all is in order, the Missouri Film Office will send the application to the Business Services Division in DED for a final spot audit. Be prepared to provide any requested proof of purchases and proof of payments demonstrating that all expenditures were bought and paid to Missouri companies, organizations, or evidence of withholding Missouri taxes for individuals.
- H. Upon successful completion of the spot audit, DED will send the production company a tax credit issuance fee invoice for 2.5% of the tax credit amount. Once the production company pays the issuance fee, the tax credit will be issued. (§§ 620.1900 RSMo)

IX. Required Missouri Logo

A statement and logo designated by DED and the Missouri Film Office must appear in the credits of the completed production indicating that the project was filmed in Missouri.

X. Reporting Requirements and Penalty Provisions

A. Tax Credit Accountability Act

This Program is subject to the Tax Credit Accountability Act of 2004, as amended (§§ 135.800 to .830 RSMo), as a business recruitment tax credit. Pursuant to § 135.805 RSMo, for a period of three (3) years following the issuance of tax credits, a tax credit recipient shall submit on June 30 of each year a report to DOR which includes information set forth in §135.805.1 and 4 RSMo.

Failure of the tax credit recipient to timely file an annual report shall result in penalties:

- a. Failure to file the first annual report due under § 135.805 for more than three months shall result in a penalty equal to one percent of the value of the credits issued for each month of delinquency, provided such penalty shall not exceed a maximum of ten percent of the value of the credits issued; and
- b. Failure to file the second or third annual reports due under section 135.805 for more than three months shall result in a penalty equal to one and one-half percent of the value of the credits issued for each month of delinquency up to a maximum of twenty percent, per report, of the value of the credits issued.
- c. Reporting is required of the original recipient of tax credits, without regard to any transfer of the credits. Penalties also remain the liability of the original recipient.
- d. Any nonpayment of liability for penalties by the date due shall be subject to the same provisions of law as a liability for unpaid income taxes, including underpayment interest provisions but excluding income tax penalty and addition to tax provisions.

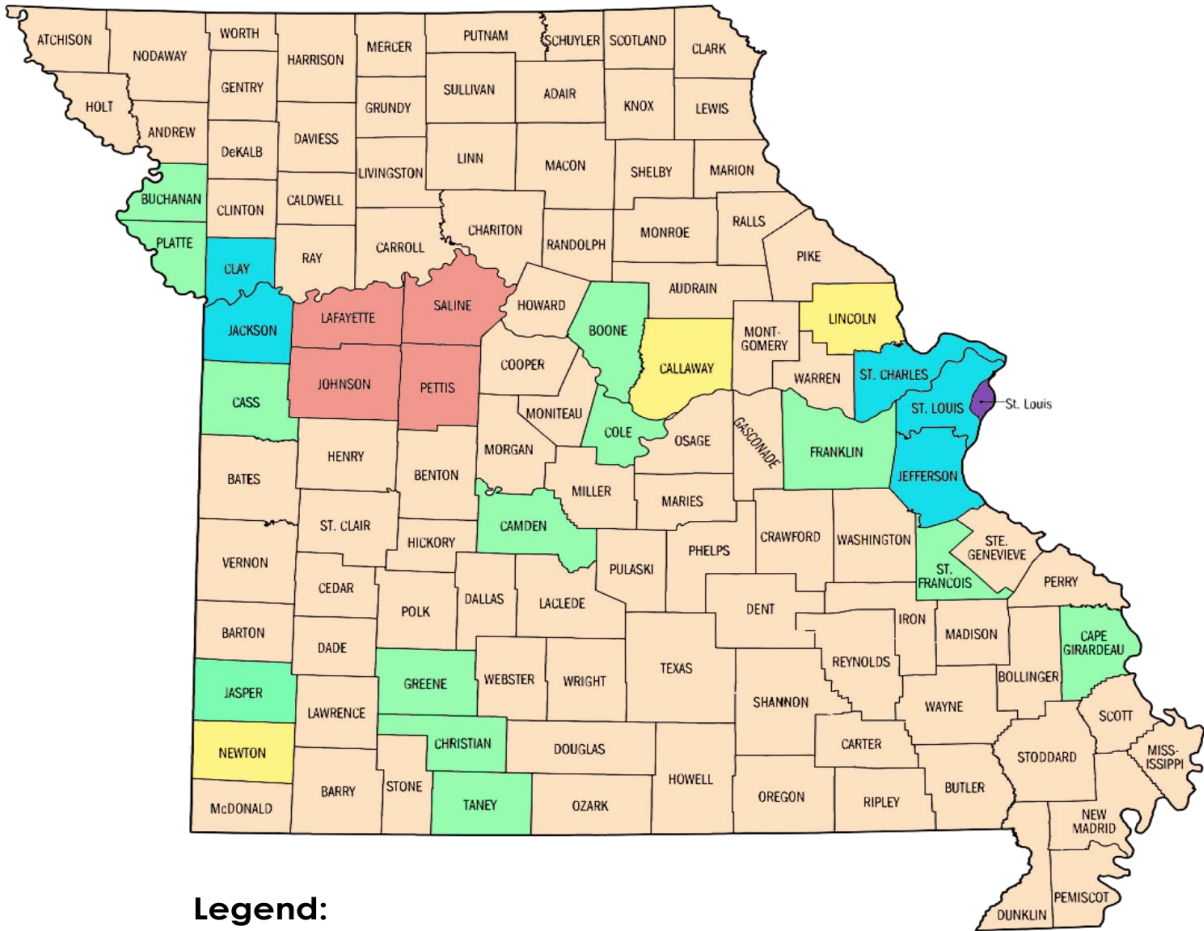
B. Employment of Unauthorized Aliens

Section 285.025 RSMo prohibits any employer of illegal aliens in the state from receiving state tax credits, tax abatement, or loans from the state under chapters 32, 100, 135, 253, 447 or 620 RSMo. If a recipient is found to have negligently employed an illegal alien in the state, it shall be ineligible for such tax credits, tax abatement, or loans for five (5) years, although an agency may choose to not pursue the penalty for a first-time occurrence.

Section 285.025 RSMo, along with §§ 285.525 to .550 RSMo are the basis for the E-Verify affidavit and MOU as set forth under Eligible Applicants in these Guidelines.

Appendix:

County Classification Map



Legend:

- Charter County
- Classification 1
- Classification 2
- Classification 3
- Classification 4
- St. Louis City