

Name	Identifying Number
------	--------------------

**Part I Refundable Film Production Services Credit**

1 Fill in the amount of refundable film production services credit released to you by the Department of Commerce in 2009 (companies certified before June 29, 2009, see instructions) . . . . .	1	
2 Fill in the amount of refundable film production services credit passed through from other entities . . . . .	2	
3 Add lines 1 and 2. This is your 2009 refundable film production services credit . . . . .	3	

**Part II Refundable Film Production Company Investment Credit**

4 Fill in the amount of film production company investment credit released to you by the Department of Commerce which was certified under 2009 law . . . . .	4	
5 Fill in the amount of film production company investment credit passed through from other entities, but only if that credit was certified under 2009 law . . . . .	5	
6 Add lines 4 and 5. This is your 2009 refundable film production company investment credit . . . . .	6	

**Part III Nonrefundable Film Production Services Credit Certified Before June 29, 2009**

7 Fill in the amount of film production services credit released to you by the Department of Commerce in 2009 which was certified under 2008 law . . . . .	7	
8 Fill in the amount of film production services credit passed through from other entities, but only if that credit was certified under 2008 law and released by the Department of Commerce in 2009 . . . . .	8	
9 Add lines 7 and 8. This is your 2009 film production services credit . . . . .	9	
10 Carryover of unused 2008 film production services credit . . . . .	10	
11 Add lines 9 and 10. This is the available nonrefundable film production services credit . . . . .	11	

**Part IV Nonrefundable Film Production Company Investment Credit Certified Before June 29, 2009**

12 Fill in the amount of film production company investment credit released to you by the Department of Commerce in 2009 which was certified under 2008 law . . . . .	12	
13 Fill in the amount of film production company investment credit passed through from other entities, but only if that credit was certified under 2008 law and released by the Department of Commerce in 2009 . . . . .	13	
14 Add lines 12 and 13. This is your 2009 film production company investment credit . . . . .	14	
15 Carryover of unused 2008 film production company investment credit . . . . .	15	
16 Add lines 14 and 15. This is the available nonrefundable film production company investment credit . . . . .	16	

**Instructions for 2009 Schedule FP**

**GENERAL INSTRUCTIONS**

**Purpose of Schedule FP**

Use Schedule FP to claim film production credits. The film production services credits are available to a film production company that operates an accredited production in Wisconsin and that received a commitment letter and list of approved expenses from the Wisconsin Department of Commerce as a result of filing an application. The film production company investment credit may be claimed where the Department of Commerce has certified in writing that the credits are for expenses related to establishing a film production company in Wisconsin.

For information on certification and approvals by the Department of Commerce, visit the Department of Commerce website at [www.commerce.wi.gov](http://www.commerce.wi.gov) or write to the Wisconsin Department of Commerce, PO Box 7970, Madison WI 53707-7970.

**Who is Eligible to Claim the Credit**

The film production credits are available to any individual, estate, trust, partnership, limited liability company (LLC), corporation, or tax-exempt organization that is certified or approved by the Department of Commerce.

Tax-option (S) corporations, partnerships, and LLCs treated as partnerships cannot claim the credit at the entity level. However, the credit attributable to the entity's business operations passes through to the entity's shareholders, partners, or members in proportion to their ownership interest.

The film production services credit may be claimed by a film production company that operates an accredited production in Wisconsin. However, this credit is not available if less than 35 percent of the total budget for the accredited production is spent in Wisconsin.

The film production company investment credit is available to persons who do business in Wisconsin as a film production company. The expenses must be certified, in writing, by the Department of Commerce that the credits are for expenses related to establishing or operating a film production company in Wisconsin.

### **Credit is Income**

The credit that you compute on Schedule FP is income and must be reported on your Wisconsin franchise or income tax return as income in the year computed.

### **Carryover of Unused Credit**

For the nonrefundable credits in Parts III and IV, any unused credit may be carried forward for 15 years. If there is a reorganization of a corporation claiming the credit(s), the limitations provided by Internal Revenue Code (IRC) sec. 383 may apply to the carryover of any unused credit.

### **Definitions Applicable Under 2009 Law**

"Accredited production" means a film, video, broadcast advertisement, or television production, as approved by the Department of Commerce, for which the aggregate salary and wages included in the cost of the production for the period ending 12 months after the month in which the principal filming or taping of the production begins exceeds \$50,000. An "accredited production" also includes an electronic game, as approved by the Department of Commerce, for which the aggregate salary and wages included in the cost of production for the period ending 36 months after the month in which the principal programming, filming, or taping of the production begins exceeds \$100,000.

"Accredited production" does not include any of the following, regardless of the production costs:

- News, current events, or public programming or a program that includes weather or market reports.
- A talk show.
- A production with respect to a questionnaire or contest.
- A sports event or sports activity.

- A gala presentation or awards show.
- A finished production that solicits funds.
- A production for which the production company is required under 18 USC 2257 to maintain records with respect to a performer portrayed in a single media or multimedia program.
- A production produced primarily for industrial, corporate, or institutional purposes.

"Film production company" means an entity that exclusively creates accredited productions.

### **SPECIFIC INSTRUCTIONS**

Whether Part I, II, III, or IV of Schedule FP applies depends on when the company was certified by the Department of Commerce. Several changes were made to the film production credits by 2009 Act 28, which was enacted on June 29, 2009. These changes are generally effective for taxable years beginning on or after January 1, 2009. These changes include:

- Making both the film production services credit and film production company investment credit refundable.
- Capping the total amount of credits awarded under the film production credits program in a fiscal year to \$500,000.
- Making various changes to the definitions of "accredited production," "film production company," and "production expenditures."

The instructions for companies certified by the Department of Commerce before June 29, 2009, are different from the instructions for companies certified on or after June 29, 2009. If you are unsure of the certification date of your company, contact the Department of Commerce. Instructions for each group of companies follow:

#### **Companies Certified on or After June 29, 2009**

Companies certified by the Department of Commerce on or after June 29, 2009, are considered to be certified under 2009 law. The changes to the film production credits enacted by 2009 Act 28, summarized above, apply to these companies. Companies certified on or after June 29, 2009, complete Part I or Part II of Schedule FP, or both, as applicable.

For lines 2 and 5, fill in any amount of refundable film production services credit or film production company investment credit reported to you by a pass-through entity on Schedule 2K-1, 3K-1, or 5K-1.

If the company filing Schedule FP is a pass-through entity, also see the special instructions for pass-through entities below.

## **Companies Certified Before June 29, 2009**

Companies certified by the Department of Commerce before June 29, 2009, are considered to be certified under 2008 law. The changes to the film production credits enacted by 2009 Act 28 do not apply to these companies. Companies certified before June 29, 2009, may complete Part I, III, or IV of Schedule FP, or both, as applicable.

*Special instructions for Part I and Part III:* A company certified for a film production services credit before June 29, 2009, may have both a refundable credit and a nonrefundable credit. This is because under 2008 law the film production services credit for production expenditures was refundable while the credits for qualifying wages and sales and use tax were nonrefundable. Put the refundable amount in Part I and the nonrefundable amounts in Part III.

For lines 2, 8, and 13 fill in the amount of film production services credit or film production company investment credit reported to you by a pass-through entity on Schedule 2K-1, 3K-1, or 5K-1. If any of the credit passed through is a refundable film production services credit, include that amount on Part I, line 2.

If the company filing Schedule FP is a pass-through entity, see also the special instructions for pass-through entities.

## **Special Instructions for Pass-Through Entities**

If the company filing Schedule FP is a tax-option (S) corporation, partnership, or LLC treated as a partnership, show the entire amount of credit on lines 3, 6, 11, or 16, as appropriate, and prorate that amount on Schedules 5K-1 or 3K-1. If the company is an estate or trust, show only the estate's or trust's portion of the credit on lines 3, 6, 11, or 16, as appropriate, and the beneficiaries' portion of the credit to left of the line. Label it "Beneficiaries' portion."

## **Required Attachments**

File your completed Schedule FP with your Wisconsin franchise or income tax return. For the film production services credit, also file a copy of the commitment letter and list of approved expenses from the Department of Commerce. For the film production investment credit, file a copy of the certification from the Department of Commerce that the credits claimed are for expenses related to establishing a film production company in Wisconsin. Shareholders of tax-option (S) corporations, partners of partnerships, members of LLCs treated as partnerships, and beneficiaries of estates or trusts must file a copy of Schedule 5K-1, 3K-1, or 2K-1, as appropriate, with Schedule FP instead of the approved application and/or certification.