

mestiere [cinema]

ITALIAN TAX CREDIT

FOR

FEATURE FILMS - TV MOVIES - TV SERIES

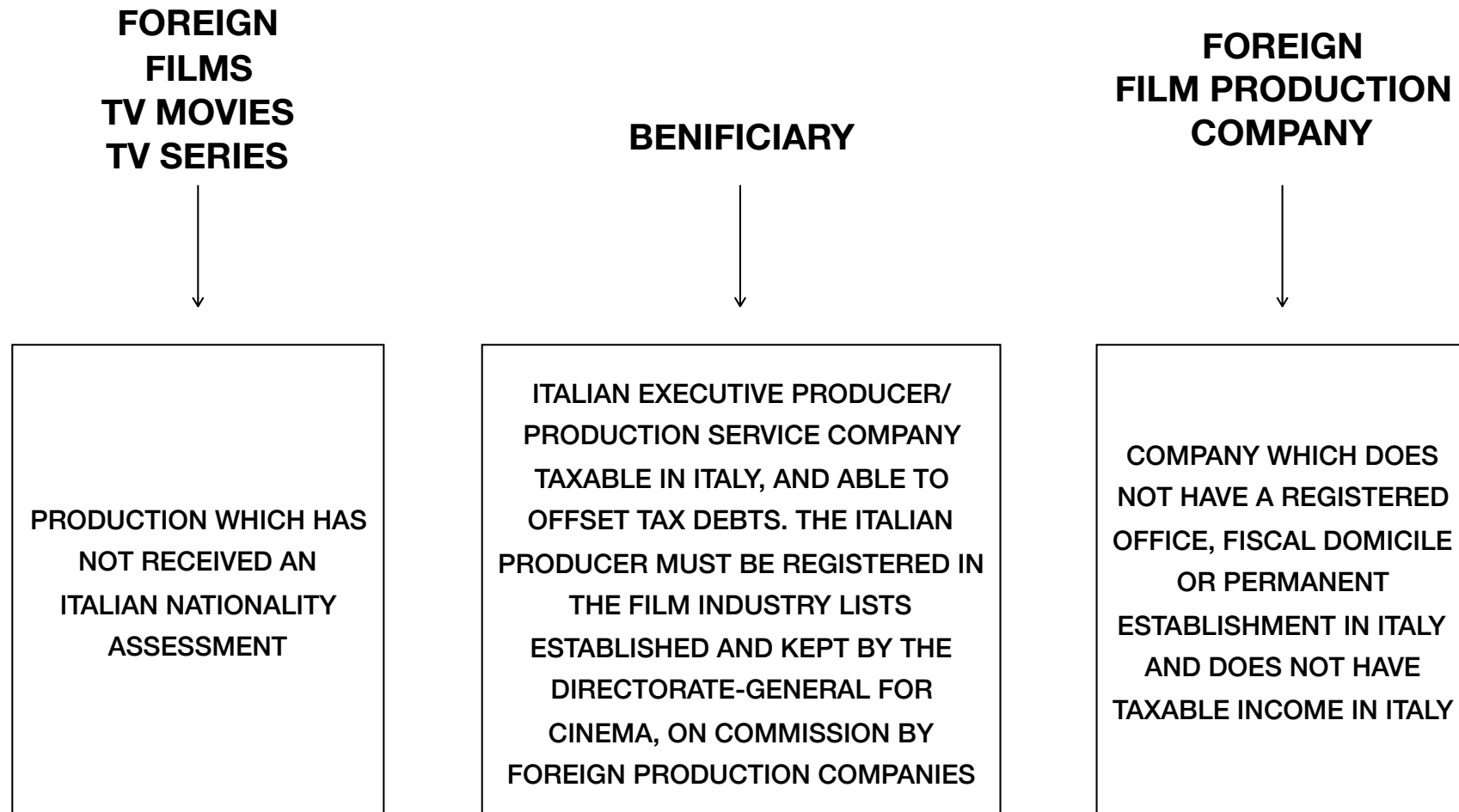
1. WHAT IS IT

THE TAX CREDIT IS AN
ITALIAN INCENTIVE
INTRODUCED IN 2008 FOR
FOREIGN FEATURE FILMS

SINCE 2014 THIS TAX
BENEFIT ALSO APPLIES TO
TV PRODUCTIONS
TV MOVIES, TV SERIES AND
DRAMAS

IT ALLOWS A SAVING OF
25% ON PRODUCTION
COSTS PAID BY THE
ITALIAN PRODUCER

2. DEFINITIONS



3. HOW TO GET IT

TAX CREDIT PRELIMINARY APPLICATION TO THE ITALIAN MINISTRY OF CULTURE (“MIBACT”)

SUCH APPLICATION IS TO BE SUBMITTED BY THE ITALIAN PRODUCER (AND COUNTERSIGNED BY THE FOREIGN PRODUCER). THE ACTUAL USE OF THE TAX CREDIT IS CONDITIONAL UPON THIS APPLICATION

CULTURAL ELIGIBILITY TEST

THE TEST IS PART OF PRELIMINARY APPLICATION. MIBACT SHALL CONFIRM IF THE WORK IS ELIGIBLE OR NOT WITHIN 60 DAYS FOLLOWING THE DATE OF SUBMISSION OF THE PRELIMINARY APPLICATION

TAX CREDIT FINAL APPLICATION TO MIBACT

SUCH APPLICATION TO BE SUBMITTED BY THE ITALIAN PRODUCER (AND COUNTERSIGNED BY THE FOREIGN PRODUCER) TOGETHER WITH A DESCRIPTION OF THE COSTS INCURRED BY THE ITALIAN PRODUCER CERTIFIED BY AN INDEPENDENT CHARTERED ACCOUNTANT

TAX CREDIT FINAL AMOUNT

MIBACT SHALL CONFIRM THE FINAL AMOUNT OF THE TAX CREDIT ACCRUED BY THE ELIGIBLE WORK WITHIN 60 DAYS FOLLOWING THE DATE OF SUBMISSION OF THE FINAL APPLICATION

4. HOW DOES IT WORK

THE TAX CREDIT MONTHLY OFFSETTING

THROUGH THE ITALIAN PRODUCER
THE TAX CREDIT CAN BE USED TO OFFSET ANY TAX DEBT

INCLUDING

VAT
CORPORATE INCOME TAX (IRES)
REGIONAL INCOME TAX (IRAP)
SOCIAL CONTRIBUTION
TAXES WITHHELD ON LABOUR COST (IRPEF)

5. TAX CREDIT PERCENTAGE

25%

**OF THE ELIGIBLE COSTS PAID BY THE ITALIAN PRODUCER
FOR EACH WORK**



PRODUCTION EXPENSES
ON ITALIAN TERRITORY,
NOT EXCEEDING THE 60%
OF THE TOTAL BUDGET



ANY EXPENSES INCURRED IN
ANOTHER EU COUNTRY ARE
TO BE TREATED AS EXPENSES
INCURRED IN ITALY UP TO A
MAXIMUM OF 30% OF THE
OVERALL FILM PRODUCTION
BUDGET



UP TO A MAXIMUM
AMOUNT OF € 10M PER
EACH WORK

6. ELIGIBLE COSTS

**ANY PRODUCTION EXPENSES INCURRED AND PAID
BY THE ITALIAN PRODUCER**

PROVIDED THAT

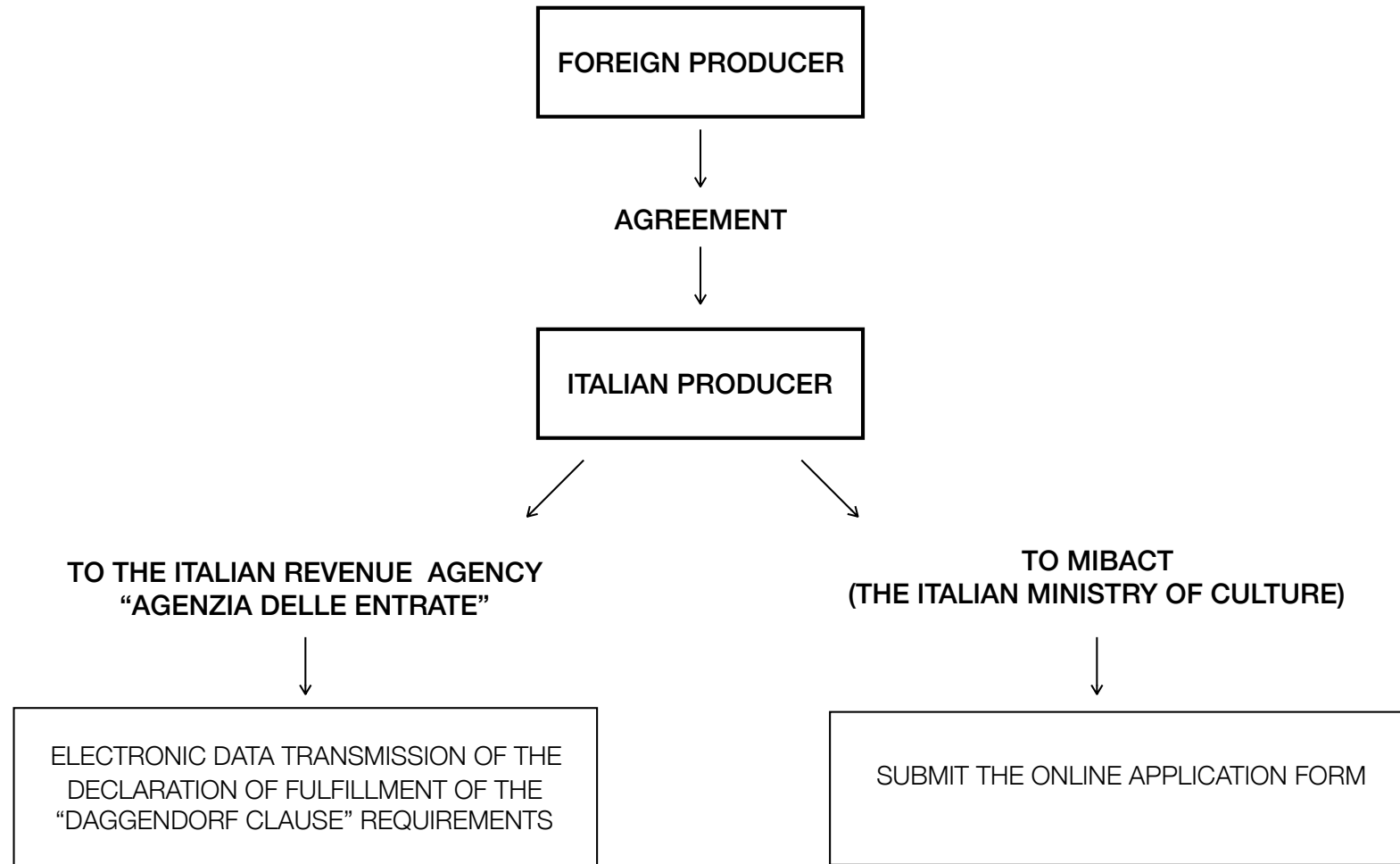
FINANCIAL, INSURANCE AND WARRANTY
EXPENSES ARE TAKEN INTO ACCOUNT
UP TO A MAXIMUM OF 7,5% OF THE
PRODUCTION COST

OVERHEADS ARE TAKEN INTO ACCOUNT
UP TO A MAXIMUM OF 7,5% OF THE
PRODUCTION COST

**THE TAX CREDIT CAN BE OFFSET ON A MONTHLY BASIS ON THE CONDITION THAT
EXPENSES ARE ACCRUED AND PAID BEFORE THE END OF THE MONTH PREVIOUS
TO THE COMPENSATION**

PRODUCER FEE NOT INCLUDED

7. ADMINISTRATIVE PROCEDURE: PRELIMINARY REQUEST



7A. ADMINISTRATIVE PROCEDURE: HOW TO APPLY

THE APPLICATION FORM INCLUDES

THE CERTIFICATION OF THE
COMPLIANCE OF CULTURAL
ELIGIBILITY REQUIREMENTS,
ACCORDING TO THE ESTABLISHED
INDICATORS

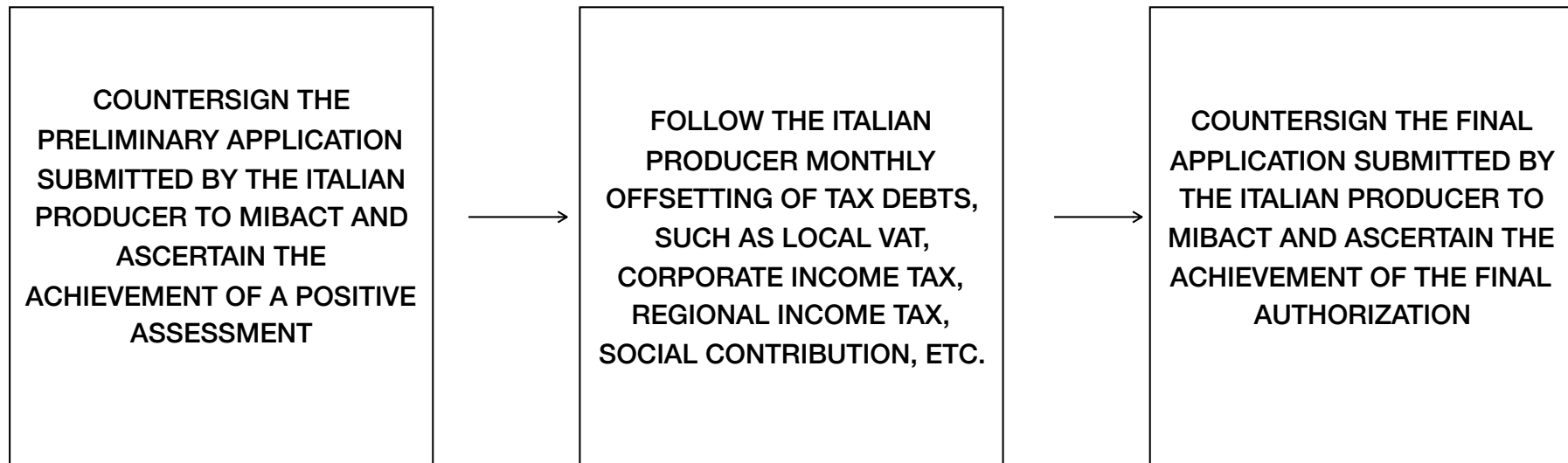
FILM PRODUCTION TOTAL BUDGET
AMOUNT, SCRIPT, SCHEDULE,
SPECIFYING THE TOTAL OF
SHOOTING DAYS ON ITALIAN
TERRITORY OR IN ANOTHER EU
COUNTRY

OFFICIAL STATEMENT BY THE
FOREIGN PRODUCER THAT THE
FILM IS INTENDED PRIMARILY FOR
THEATRICAL RELEASE OR FOR TV
BROADCAST

WITHIN **THE END OF THE MONTH FOLLOWING THE DATE OF RECEIPT** OF THE APPLICATION, MIBACT NOTIFIES WITH REGISTERED LETTER WITH ADVICE OF RECEIPT THE PROVISIONAL NEGATIVE ASSESSMENT CONCERNING CULTURAL ELIGIBILITY. THE APPLICANT CAN FURTHER APPLY ONLY ONCE FOR THE SAME FILM WORK. IN ABSENCE OF ANY COMMUNICATION, THE NOTIFICATION OF A POSITIVE ASSESSMENT WILL BE EXPRESSED BY THE SO-CALLED “TACIT APPROVAL”.

7B. ADMINISTRATIVE PROCEDURE

FOREIGN PRODUCTION COMPANY MUST



7c. ADMINISTRATIVE PROCEDURE: FINAL REQUEST

APPLICANTS HAVE TO SUBMIT TO MIBACT THE PRESCRIBED FORMS, ALSO SIGNED BY THE FOREIGN PRODUCER, WITHIN 30 DAYS FROM THE END OF THE ITALIAN PRODUCER ACTIVITIES.

ON THE APPLICATION THE FOLLOWING MUST BE SPECIFIED:

1

OVERALL FILM PRODUCTION COSTS, WITH A CERTIFICATION OF ACTUAL EXPENSES ACCRUED, ENACTED BY THE PRESIDENT OF THE BOARD OF AUDITORS, AN AUDITOR OR A PRACTITIONER OF A PROFESSIONAL REGISTERED ASSOCIATION. OR BY THE OFFICER IN CHARGE OF THE TAX ASSISTANCE CENTRE

2

THE ENTIRE AMOUNT OF THE PRODUCTION COSTS ON ITALIAN TERRITORY, AS WELL AS OTHER EXPENSES IN OTHER EU COUNTRIES

3

THE AMOUNT OF THE TAX CREDIT TO BE GRANTED TO THE ITALIAN PRODUCER SPECIFYING THE AMOUNT OF TAX CREDIT ALREADY USED, AS WELL AS THE MONTH IN WHICH ENTITLEMENT TO TAX CREDIT FIRST AROSE

THE TAX CREDIT BENEFITS ARE ASSIGNED AFTER AN EVALUATION BY MIBACT OF THE FULFILLMENT OF THE SUBJECTIVE, OBJECTIVE AND FORMAL REQUIREMENTS WITHIN 60 DAYS FROM THE DATE OF RECEIPT OF THE APPLICATION

8. THE CULTURAL ELIGIBILITY TEST

BLOCK A / B / C

APPLYING WORKS HAVE TO PASS AN ELIGIBILITY TEST AIMED AT
GUARANTEEING THEIR ITALIAN OR EUROPEAN CULTURAL IDENTITY

MINIMUM TOTAL SCORE 50/100 POINTS AMONG BLOCK A - B -C

BLOCK A CONTENT

- SCRIPT ADAPTED FROM LITERARY WORK 10 pts
- SCRIPT CONCERNING HISTORICAL, LEGENDARY, RELIGIOUS, SOCIAL, ARTISTIC OR CULTURAL EVENT 10 pts
- SCRIPT CONCERNING A CELEBRITY OF HISTORICAL, LEGENDARY, RELIGIOUS, SOCIAL, ARTISTIC OR CULTURAL IMPORTANCE 10 pts
- ITALIAN OR EUROPEAN MAIN CHARACTERS OF THE SCRIPT OR OF THE SCREENPLAY 10 (4,6) pts
- SCRIPT SET IN ITALY OR IN A EU COUNTRY, OR EXTERIORS SHOT IN ITALY WITH THE AIM OF VALUING ARTISTIC, ARCHEOLOGICAL AND ARCHITECTURAL ASSETS (MINIMUM THRESHOLD 15% OF THE SCENES) 15 (6) pts
- ORIGINAL DIALOGUE RECORDED, POST-SYNC OR SUBTITLED IN ITALIAN OR ITALIAN DIALECT (MINIMUM THRESHOLD 50% OF THE SCENES) 5 pts

PLEASE NOTE THAT IN THIS BLOCK A, 2 OUT OF 4 OF THE UNDERLINED ITEMS ARE COMPULSORY

8A. THE CULTURAL ELIGIBILITY TEST

BLOCK A / B / C

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MINIMUM TOTAL SCORE 50/100 POINTS AMONG BLOCK A - B -C

BLOCK B CREATIVE TALENTS

- PRESENCE OF A FILMMAKER EU CITIZEN (PRODUCER, DIRECTOR, SCRIPTWRITER, COMPOSER) 8 pts
- PRESENCE OF A CREATIVE TALENT EU CITIZEN (PRODUCTION DESIGNER, ART DIRECTOR, KEY MAKE-UP ARTIST, COSTUME DESIGNER, D.O.P., LINE PRODUCER, EDITOR, SET DESIGNER) 8 pts
- PRESENCE OF AT LEAST ONE LEADING ACTOR EU CITIZEN 2 pts
- PRESENCE OF AT LEAST 2 SUPPORTING ACTORS EU CITIZEN 2 pts

8B. THE CULTURAL ELIGIBILITY TEST

BLOCK A / B / C

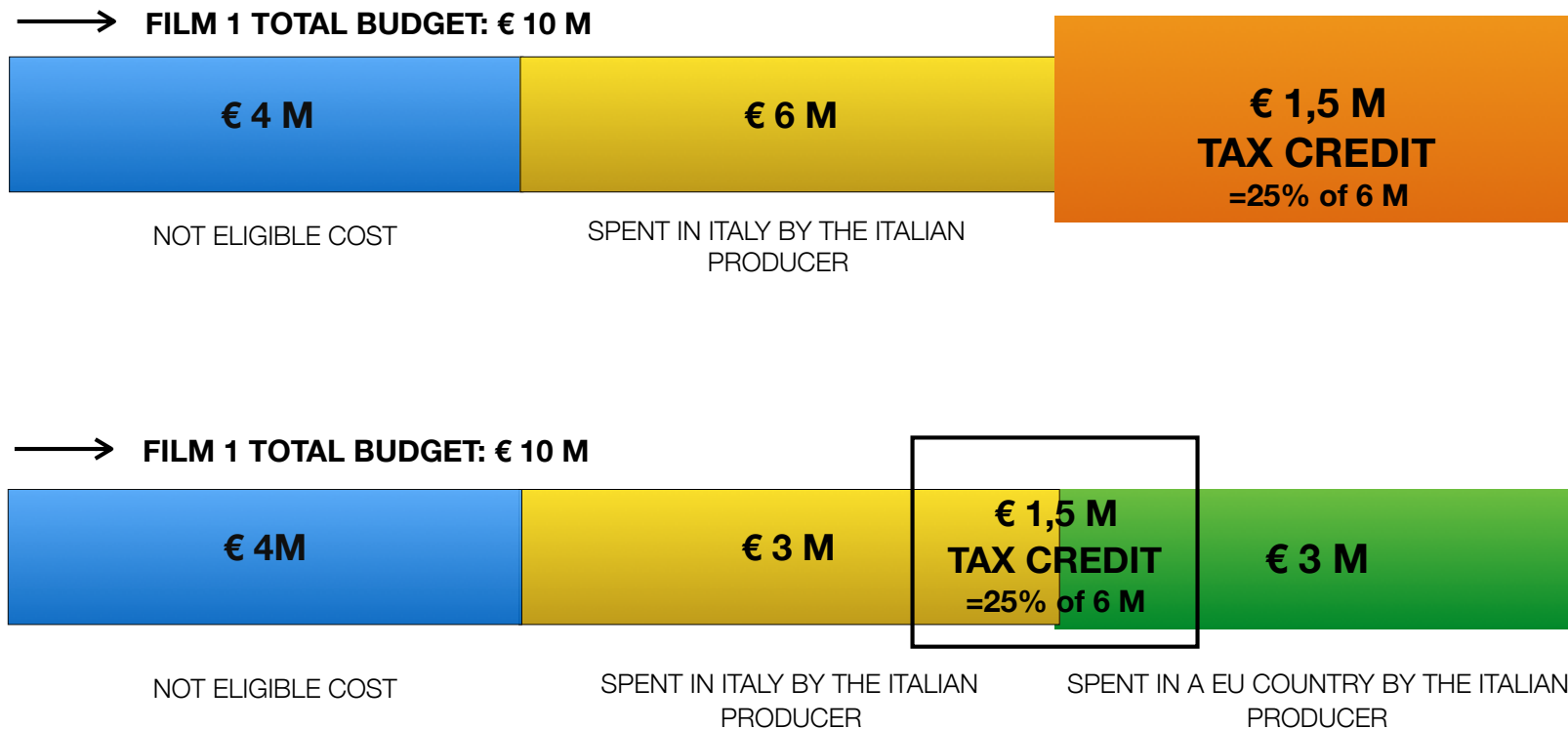
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BLOCK C PRODUCTION

- SCENES SHOT AT A STUDIO IN ITALY 8 (4) pts
- DIGITAL EFFECTS IN ITALY 2 pts
- MUSIC RECORDING IN ITALY 2 pts
- SOUND EDITING AND MIXING IN ITALY 2 pts
- LABOR WORK IN ITALY 2 pts
- FINAL EDITING IN ITALY 2 pts

9. EXPENSES ON ITALIAN OR EU TERRITORY

TWO CASES



10. MAIN CONCLUSIONS

**GO ALWAYS FOR THE TAX CREDIT FOR
FOREIGN FILMS - TV MOVIES - TV SERIES**

IF

THE FILM IS NOT ELIGIBLE FOR ITALIAN NATIONALITY

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IF THE LOCAL EXPENDITURE IN ITALY IS 60% OF THE BUDGET
(INCLUDING A MAXIMUM 30% OF THE BUDGET SPENT IN OTHER EU COUNTRIES)

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