

Film Incentives and Film Office

2025 Wisconsin Act 15 (2025-2027 Biennial State Budget)

Chapter 15: Structure of the Executive Branch: Department of Tourism

SECTION 5. 15.448 of the statutes is created to read:

15.448 Same; offices. (1) STATE FILM OFFICE. There is created a state film office in the department of tourism. The director of the office shall be appointed by the secretary of tourism.

Chapter 20: Appropriations and Budget Management

SECTION 93. 20.835 (2) (bm) of the statutes is created to read: 20.835 (2) (bm) Film production services credit. A sum sufficient to make the payments under ss. 71.07 (5f) (d) 2., 71.28 (5f) (d) 2., and 71.47 (5f) (d) 2.

Chapter 41: Department of Tourism: Film Promotion

SECTION 141. 41.152 of the statutes is created to read:

41.152 Film production tax credits.

- (1) The state film office shall implement a program to accredit productions and certify expenses for purposes of ss. 71.07 (5f) and (5h), 71.28 (5f) and (5h), and 71.47 (5f) and (5h). Application for accreditation or certification shall be made to the office in each taxable year for which accreditation or certification is desired.
- (2) If the state film office accredits a production under sub. (1), the office shall determine the amount of the production[s] production expenditures, as defined in s. 71.07 (5f) (a) 4. The state film office shall not issue an accreditation or certification under sub. (1) without first receiving written confirmation from the applicant that the applicant has retained a certified public accountant located in this state to conduct periodic audits to ensure compliance with this section and ss. 71.07 (5f) and (5h), 71.28 (5f) and (5h), and 71.47 (5f) and (5h), as prescribed by rule by the office. An entity applying for a tax credit under s. 71.07 (5f), 71.28 (5f), or 71.47 (5f) that does not have its commercial domicile in this state shall indicate that on its application along with the amount of production expenditures it anticipates spending in this state and the amount of expenditures, if any, it anticipates spending in another state on the same production.
- (3) The state film office shall notify the department of revenue of every production accredited under sub. (1), the amount of the production[s] production expenditures, as defined in s. 71.07 (5f) (a) 4., every certification issued under sub. (1), and the amount of the tax credits under ss. 71.07 (5f) and (5h), 71.28 (5f) and (5h), and 71.47 (5f) and (5h) allocated to the applicant for the taxable year for which the applicant[s] claim relates. The state film office shall notify the department of revenue under this subsection no later than 30 days after allocating tax credits to an applicant.
- (4) The state film office may not allocate more than \$5,000,000 in tax credits under ss. 71.07 (5f) and (5h), 71.28 (5f) and (5h), and 71.47 (5f) and (5h) in each fiscal year and no more than \$1,000,000 in tax credits to any single applicant in each fiscal year.
- (5) Each applicant who produces an accredited production, as defined in s. 71.07 (5f) (a) 1., that is eligible for a tax credit under s. 71.07 (5f), 71.28 (5f), or 71.47 (5f) shall include in the finished production an acknowledgment to the state of Wisconsin and the state film office as designed by the state film office, including a logo designed by the state film office.
- (6) Annually, beginning in 2027, the state film office shall prepare a report specifying the number of persons who submitted tax credit applications in the previous year and the amount of the tax credits allocated to each such applicant. The report shall also provide recommendations and suggestions on improving the efficiency of the program implemented under this section. The office shall submit the report to the legislature, in the manner provided under s. 13.172 (2), no later than April 30 each year.
- (7) The department shall promulgate rules to administer this section.

Chapter 71: Income & Franchise Taxes for State & Local Revenues: Taxation of Individuals & Fiduciaries; Credits

SECTION 233. 71.07 (5f) of the statutes is created to read:

71.07 (5f) FILM PRODUCTION SERVICES CREDIT.

(a) Definitions. In this subsection:

1. *"Accredited production"* means a film, video, broadcast advertisement, or television production, as approved by the state film office, 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 \$100,000 for a production that is 30 minutes or longer or \$50,000 for a production that is less than 30 minutes. XAccredited productionY includes a scripted, unscripted, reality, or competition production, but does not include any of the following, regardless of the production costs:
 - a. News, current events, or public programming or a program that includes weather or market reports.
 - b. A talk show.

- c. A sports event or sports activity.
 - d. A gala presentation or awards show.
 - e. A finished production that solicits funds.
 - f. 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.
 - g. A production produced primarily for industrial, corporate, or institutional purposes.
2. "Claimant" means a film production company, as defined in sub. (5h) (a) 2., that operates an accredited production in this state, if the company owns the copyright in the accredited production or has contracted directly with the copyright owner or a person acting on the owner's behalf and if the company has a viable plan, as determined by the state film office, for the commercial distribution of the finished production.
 3. "Commercial domicile" means the location from which a trade or business is principally managed and directed, based on any factors the state film office determines are appropriate, including the location where the greatest number of employees of the trade or business work, the trade or business has its office or base of operations, or from which the employees are directed or controlled.
 4. "Production expenditures" means any expenditures that are incurred in this state and directly used to produce an accredited production, including expenditures for writing, budgeting, casting, location scouts, set construction and operation, wardrobes, makeup, clothing accessories, photography, sound recording, sound synchronization, sound mixing, lighting, editing, film processing, film transferring, special effects, visual effects, renting or leasing facilities or equipment, renting or leasing motor vehicles, food, lodging, and any other similar pre-production, production, and post-production expenditure as determined by the state film office. "Production expenditures" includes expenditures for music that is performed, composed, or recorded by a musician who is a resident of this state or published or distributed by an entity that has its commercial domicile in this state; air travel that is purchased from a travel agency or company that has its commercial domicile in this state; and insurance that is purchased from an insurance agency or company that has its commercial domicile in this state. "Production expenditures" does not include salary or wages or expenditures for the marketing and distribution of an accredited production.
- (b) *Filing claims.* Subject to the limitations provided in this subsection, for taxable years beginning after December 31, 2025, a claimant may claim as a credit against the tax imposed under s. 71.02 any of the following amounts:
1. To the extent the salary or wages are not claimed under subd. 2., an amount equal to 30 percent of the salary or wages paid by the claimant to the claimant's employees in the taxable year for services rendered in this state to produce an accredited production and paid to employees who were residents of this state at the time that they were paid.
 2. An amount equal to 30 percent of the production expenditures paid by the claimant in the taxable year to produce an accredited production.
 3. An amount equal to the taxes imposed under ss. 77.52 and 77.53, to the extent those taxes are not used in claiming a credit under subd. 2., that the claimant paid in the taxable year on the purchase of tangible personal property and taxable services that are used directly in producing an accredited production in this state, including all stages from the final script stage to the distribution of the finished production.
- (c) *Limitations.*
1. No amount of the salary or wages paid under par. (b) 1. may be the basis for a credit under this subsection unless the salary or wages are paid for services rendered after December 31, 2025, and directly incurred to produce the accredited production.
 2. The total amount of the credits that may be claimed by a claimant under par. (b) 1. shall not exceed an amount equal to the first \$250,000 of salary or wages paid to each of the claimant's employees, as described in par. (b) 1., in the taxable year, not including the salary or wages paid to the claimant's 2 highest-paid employees, as described in par. (b) 1., in the taxable year, if the claimant's budgeted production expenditures are \$1,000,000 or more.
 3. No credit may be allowed under this subsection unless the claimant files an application with the state film office, at the time and in the manner prescribed by the office, and the office approves the application. The claimant shall submit a copy of the approved application with the claimant's return.
 4. Partnerships, limited liability companies, and tax-option corporations may not claim the credit under this subsection, but the eligibility for, and the amount of, the credit are based on their payment of amounts under par. (b). A partnership, limited liability company, or tax-option corporation shall compute the amount of credit that each of its partners, members, or shareholders may claim and shall provide that information to each of them. Partners, members of limited liability companies, and shareholders of tax-option corporations may claim the credit in proportion to their ownership interest.
- (d) *Administration.*
1. Section 71.28 (4) (e), (g), and (h), as it applies to the credit under s. 71.28 (4), applies to the credits under this subsection. Section 71.28 (4) (f), as it applies to the credit under s. 71.28 (4), applies to the credits under par. (b) 1. and 3.
 2. If the allowable amount of the claim under par. (b) 2. exceeds the tax otherwise due under s. 71.02 or no tax is due under s. 71.02, the amount of the claim not used to offset the tax due shall be certified by the department of revenue to the department of administration for payment by check, share draft, or other draft drawn from the appropriation account under s. 20.835 (2) (bm).
 3. Any person, including a nonprofit entity described in section 501 (c) (3) of the Internal Revenue Code, may sell or otherwise transfer a credit under par. (b) 1. or 3., in whole or in part, to another person who is subject to the taxes imposed under s. 71.02, 71.23, or 71.43, if the person notifies the department of the transfer, and submits with the notification a copy of the transfer documents, and the department certifies ownership of the credit. The transferee may first use the credit to offset tax of the transferor in the taxable year in which the transfer occurs and may use the credit only to offset tax in taxable years in which the credit is otherwise allowed to be claimed and carried forward by the original claimant.
 4. Notwithstanding s. 71.82, no interest shall be paid on a refund based on an amount certified under this subsection.

Chapter 71: Income & Franchise Taxes for State & Local Revenues: Taxation of Individuals & Fiduciaries: Credits

SECTION 234. 71.07 (5h) of the statutes is created to read:

71.07 (5h) **FILM PRODUCTION COMPANY INVESTMENT CREDIT.**

(a) Definitions. In this subsection:

1. “*Claimant*” means a person who files a claim under this subsection and who does business in this state as a film production company.
2. “*Film production company*” means an entity that creates films, videos, broadcast advertisement, or television productions, not including the productions described in sub. (5f) (a) 1. a. to g.
3. “*Physical work*” does not include preliminary activities such as planning, designing, securing financing, researching, developing specifications, or stabilizing property to prevent deterioration.
4. “*Previously owned property*” means real property that the claimant or a related person owned during the 2 years prior to doing business in this state as a film production company and for which the claimant may not deduct a loss from the sale of the property to, or an exchange of the property with, the related person under section 267 of the Internal Revenue Code.
5. “*Used exclusively*” means used to the exclusion of all other uses except for other use not exceeding 5 percent of total use.

(b) *Filing claims.* Subject to the limitations provided in this subsection, for taxable years beginning after December 31, 2025, a claimant may claim as a credit against the tax imposed under s. 71.02, up to the amount of the taxes, for the first 3 taxable years that the claimant is doing business in this state as a film production company, an amount that is equal to 30 percent of the following that the claimant paid in the taxable year to establish a film production company in this state:

1. The purchase price of depreciable, tangible personal property.
2. The amount expended to acquire, construct, rehabilitate, remodel, or repair real property.

(c) *Limitations.*

1. A claimant may claim the credit under par. (b) 1., if the tangible personal property is purchased after December 31, 2025, and the personal property is used exclusively in the claimant's business as a film production company.
2. A claimant may claim the credit under par. (b) 2. for an amount expended to construct, rehabilitate, remodel, or repair real property, if the claimant began the physical work of construction, rehabilitation, remodeling, or repair, or any demolition or destruction in preparation for the physical work, after December 31, 2025, or if the completed project is placed in service after December 31, 2025.
3. A claimant may claim the credit under par. (b) 2. for an amount expended to acquire real property, if the property is not previously owned property and if the claimant acquires the property after 2025, or if the completed project is placed in service after December 31, 2025.
4. No claim may be allowed under this subsection unless the state film office certifies, in writing, that the credits claimed under this subsection are for expenses related to establishing a film production company in this state and the claimant submits a copy of the certification with the claimant's return.
5. No credit may be allowed under this subsection for any amount that the claimant paid for expenses described in par. (b) that the claimant used to claim a credit under sub. (5f).
6. Partnerships, limited liability companies, and tax-option corporations may not claim the credit under this subsection, but the eligibility for, and the amount of, the credit are based on their payment of amounts under par. (b). A partnership, limited liability company, or tax-option corporation shall compute the amount of credit that each of its partners, members, or shareholders may claim and shall provide that information to each of them. Partners, members of limited liability companies, and shareholders of tax-option corporations may claim the credit in proportion to their ownership interests.

(d) *Administration.*

1. Section 71.28 (4) (e) to (h), as it applies to the credit under s. 71.28 (4), applies to the credits under this subsection.
2. Any person, including a nonprofit entity described in section 501 (c) (3) of the Internal Revenue Code, may sell or otherwise transfer a credit under this subsection, in whole or in part, to another person who is subject to the taxes imposed under s. 71.02, 71.23, or 71.43, if the person notifies the department of the transfer, and submits with the notification a copy of the transfer documents, and the department certifies ownership of the credit. The transferee may first use the credit to offset tax of the transferor in the taxable year in which the transfer occurs and may use the credit only to offset tax in taxable years in which the credit is otherwise allowed to be claimed and carried forward by the original claimant.
3. Notwithstanding s. 71.82, no interest shall be paid on a refund based on an amount certified under this subsection.

Chapter 71: Income & Franchise Taxes for State & Local Revenues: Taxation of Individuals & Fiduciaries: General Provisions

SECTION 235. 71.10 (4) (fs) of the statutes is created to read:

71.10 (4) (fs) Film production company investment credit under s. 71.07 (5h).

SECTION 236. 71.10 (4) (ft) of the statutes is created to read:

71.10 (4) (ft) Film production services credit under s. 71.07 (5f) (b) 1. and 3.

SECTION 237. 71.10 (4) (i) of the statutes is amended to read:

71.10 (4) (i) The total of claim of right credit under s. 71.07 (1), farmland preservation credit under ss. 71.57 to 71.61, farmland preservation credit, 2010 and beyond under s. 71.613, homestead credit under subch. VIII, jobs tax credit under s. 71.07 (3q), business development credit under s. 71.07 (3y), research credit under s. 71.07 (4k) (e) 2. a., film production services credit under s. 71.07 (5f) (b) 2., veterans and surviving spouses property tax credit under s. 71.07 (6e), enterprise zone jobs credit under s. 71.07 (3w), electronics and information technology manufacturing zone credit under s. 71.07 (3wm), earned income tax credit under s. 71.07 (9e), estimated tax payments under s. 71.09, and taxes withheld under subch. X.

Chapter 71: Income & Franchise Taxes for State & Local Revenues: Taxation of Corporations: Credits

SECTION 243. 71.28 (5f) of the statutes is created to read:

71.28 (5f) **FILM PRODUCTION SERVICES CREDIT.**

(a) Definitions. In this subsection:

1. "Accredited production" means a film, video, broadcast advertisement, or television production, as approved by the state film office, 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 \$100,000 for a production that is 30 minutes or longer or \$50,000 for a production that is less than 30 minutes. XAccredited productionY includes a scripted, unscripted, reality, or competition production, but does not include any of the following, regardless of the production costs:
 - a. News, current events, or public programming or a program that includes weather or market reports.
 - b. A talk show.
 - c. A sports event or sports activity.
 - d. A gala presentation or awards show.
 - e. A finished production that solicits funds.
 - f. 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.
 - g. A production produced primarily for industrial, corporate, or institutional purposes.
2. "Claimant" means a film production company, as defined in sub. (5h) (a) 2., that operates an accredited production in this state, if the company owns the copy- right in the accredited production or has contracted directly with the copyright owner or a person acting on the owner[s] behalf and if the company has a viable plan, as determined by the state film office, for the commercial distribution of the finished production.
3. "Commercial domicile" means the location from which a trade or business is principally managed and directed, based on any factors the state film office determines are appropriate, including the location where the greatest number of employees of the trade or business work, the trade or business has its office or base of operations, or from which the employees are directed or controlled.
4. "Production expenditures" means any expenditures that are incurred in this state and directly used to produce an accredited production, including expenditures for writing, budgeting, casting, location scouts, set construction and operation, wardrobes, makeup, clothing accessories, photography, sound recording, sound synchronization, sound mixing, lighting, editing, film processing, film transferring, special effects, visual effects, renting or leasing facilities or equipment, renting or leasing motor vehicles, food, lodging, and any other similar pre-production, production, and post-production expenditure as determined by the state film office. "Production expenditures" includes expenditures for music that is performed, composed, or recorded by a musician who is a resident of this state or published or distributed by an entity that has its commercial domicile in this state; air travel that is purchased from a travel agency or company that has its commercial domicile in this state; and insurance that is purchased from an insurance agency or company that has its commercial domicile in this state. "Production expenditures" does not include salary or wages or expenditures for the marketing and distribution of an accredited production.

(b) *Filing claims.*

Subject to the limitations provided in this subsection, for taxable years beginning after December 31, 2025, a claimant may claim as a credit against the tax imposed under s. 71.23 any of the following amounts:

1. To the extent the salary or wages are not claimed under subd. 2., an amount equal to 30 percent of the salary or wages paid by the claimant to the claimant's employees in the taxable year for services rendered in this state to produce an accredited production and paid to employees who were residents of this state at the time that they were paid.
2. An amount equal to 30 percent of the production expenditures paid by the claimant in the taxable year to produce an accredited production.
3. An amount equal to the taxes imposed under ss. 77.52 and 77.53, to the extent those taxes are not used in claiming a credit under subd. 2., that the claimant paid in the taxable year on the purchase of tangible personal property and taxable services that are used directly in producing an accredited production in this state, including all stages from the final script stage to the distribution of the finished production.

(c) *Limitations.*

1. No amount of the salary or wages paid under par. (b) 1. may be the basis for a credit under this subsection unless the salary or wages are paid for services rendered after December 31, 2025, and directly incurred to produce the accredited production.
2. The total amount of the credits that may be claimed by a claimant under par. (b) 1. shall not exceed an amount equal to the first \$250,000 of salary or wages paid to each of the claimant[s] employees, as described in par. (b) 1., in the taxable year, not including the salary or wages paid to the claimant[s] 2 highest-paid employees, as described in par. (b) 1., in the taxable year, if the claimant[s] budgeted production expenditures are \$1,000,000 or more.

3. No credit may be allowed under this subsection unless the claimant files an application with the state film office, at the time and in the manner prescribed by the office, and the office approves the application. The claimant shall submit a copy of the approved application with the claimant[s] return.
4. Partnerships, limited liability companies, and tax-option corporations may not claim the credit under this subsection, but the eligibility for, and the amount of, the credit are based on their payment of amounts under par. (b). A partnership, limited liability company, or tax-option corporation shall compute the amount of credit that each of its partners, members, or shareholders may claim and shall provide that information to each of them. Partners, members of limited liability companies, and shareholders of tax-option corporations may claim the credit in proportion to their ownership interest.

(d) Administration.

1. Subsection (4) (e), (g), and (h), as it applies to the credit under sub. (4), applies to the credits under this subsection. Subsection (4) (f), as it applies to the credit under sub. (4), applies to the credits under par. (b) 1. and 3.
2. If the allowable amount of the claim under par. (b) 2. exceeds the tax otherwise due under s. 71.23 or no tax is due under s. 71.23, the amount of the claim not used to offset the tax due shall be certified by the department of revenue to the department of administration for payment by check, share draft, or other draft drawn from the appropriation account under s. 20.835 (2) (bm).
3. Any person, including a nonprofit entity described in section 501 (c) (3) of the Internal Revenue Code, may sell or otherwise transfer a credit under par. (b) 1. or 3., in whole or in part, to another person who is subject to the taxes imposed under s. 71.02, 71.23, or 71.43, if the person notifies the department of the transfer, and submits with the notification a copy of the transfer documents, and the department certifies ownership of the credit. The transferee may first use the credit to offset tax of the transferor in the taxable year in which the transfer occurs and may use the credit only to offset tax in taxable years in which the credit is otherwise allowed to be claimed and carried forward by the original claimant.
4. Notwithstanding s. 71.82, no interest shall be paid on a refund based on an amount certified under this subsection.

Chapter 71: Income & Franchise Taxes for State & Local Revenues: Taxation of Corporations: Credits

SECTION 244. 71.28 (5h) of the statutes is created to read:

71.28 (5h) FILM PRODUCTION COMPANY INVESTMENT CREDIT.

(a) Definitions. In this subsection:

1. "Claimant" means a person who files a claim under this subsection and who does business in this state as a film production company.
2. "Film production company" means an entity that creates films, videos, broadcast advertisement, or television productions, not including the productions described in sub. (5f) (a) 1. a. to g.
3. "Physical work" does not include preliminary activities such as planning, designing, securing financing, researching, developing specifications, or stabilizing property to prevent deterioration.
4. "Previously owned property" means real property that the claimant or a related person owned during the 2 years prior to doing business in this state as a film production company and for which the claimant may not deduct a loss from the sale of the property to, or an exchange of the property with, the related person under section 267 of the Internal Revenue Code.
5. "Used exclusively" means used to the exclusion of all other uses except for other use not exceeding 5 percent of total use.

(b) Filing claims.

Subject to the limitations provided in this subsection, for taxable years beginning after December 31, 2025, a claimant may claim as a credit against the tax imposed under s. 71.23, up to the amount of the taxes, for the first 3 taxable years that the claimant is doing business in this state as a film production company, an amount that is equal to 30 percent of the following that the claimant paid in the taxable year to establish a film production company in this state:

1. The purchase price of depreciable, tangible personal property.
2. The amount expended to acquire, construct, rehabilitate, remodel, or repair real property.

(c) Limitations.

1. A claimant may claim the credit under par. (b) 1., if the tangible personal property is purchased after December 31, 2025, and the personal property is used exclusively in the claimant[s] business as a film production company.
2. A claimant may claim the credit under par. (b) 2. for an amount expended to construct, rehabilitate, remodel, or repair real property, if the claimant began the physical work of construction, rehabilitation, remodeling, or repair, or any demolition or destruction in preparation for the physical work, after December 31, 2025, or if the completed project is placed in service after December 31, 2025.
3. A claimant may claim the credit under par. (b) 2. for an amount expended to acquire real property, if the property is not previously owned property and if the claimant acquires the property after December 31, 2025, or if the completed project is placed in service after December 31, 2025.
4. No claim may be allowed under this subsection unless the state film office certifies, in writing, that the credits claimed under this subsection are for expenses related to establishing a film production company in this state and the claimant submits a copy of the certification with the claimant[s] return.
5. No credit may be allowed under this subsection for any amount that the claimant paid for expenses described in par. (b) that the claimant used to claim a credit under sub. (5f).
6. Partnerships, limited liability companies, and tax-option corporations may not claim the credit under this subsection, but the eligibility for, and the amount of, the credit are based on their payment of amounts under par. (b). A partnership, limited liability company, or tax-option corporation shall compute the amount of credit that each of its partners, members, or shareholders may claim and shall

provide that information to each of them. Partners, members of limited liability companies, and shareholders of tax-option corporations may claim the credit in proportion to their ownership interests.

(d) Administration.

1. Subsection (4) (e) to (h), as it applies to the credit under sub. (4), applies to the credit under this subsection.
2. Any person, including a nonprofit entity described in section 501 (c) (3) of the Internal Revenue Code, may sell or otherwise transfer a credit under this subsection, in whole or in part, to another person who is subject to the taxes imposed under s. 71.02, 71.23, or 71.43, if the person notifies the department of the transfer, and submits with the notification a copy of the transfer documents, and the department certifies ownership of the credit. The transferee may first use the credit to offset tax of the transferor in the taxable year in which the transfer occurs and may use the credit only to offset tax in taxable years in which the credit is otherwise allowed to be claimed and carried forward by the original claimant.
3. Notwithstanding s. 71.82, no interest shall be paid on a refund based on an amount certified under this subsection.

Chapter 71: Income & Franchise Taxes for State & Local Revenues: Taxation of Corporations: General Provisions

SECTION 245. 71.30 (3) (epr) of the statutes is created to read:

71.30 (3) (epr) Film production company investment credit under s. 71.28 (5h).

SECTION 246. 71.30 (3) (eps) of the statutes is created to read:

71.30 (3) (eps) Film production services credit under s. 71.28 (5f) (b) 1. and 3.

SECTION 247. 71.30 (3) (f) of the statutes is amended to read:

71.30 (3) (f) The total of farmland preservation credit under subch. IX, jobs credit under s. 71.28 (3q), enterprise zone jobs credit under s. 71.28 (3w), electronics and information technology manufacturing zone credit under s. 71.28 (3wm), business development credit under s. 71.28 (3y), research credit under s. 71.28 (4) (k) 1., film production services credit under s. 71.28 (5f) (b) 2., and estimated tax payments under s. 71.29.

Chapter 71: Income & Franchise Taxes for State & Local Revenues: Tax-Option Corporations: Definitions

SECTION 248. 71.34 (1k) (g) of the statutes is amended to read:

71.34 (1k) (g) An addition shall be made for credits computed by a tax-option corporation under s. 71.28 (1dm), (1dx), (1dy), (3), (3g), (3h), (3n), (3q), (3t), (3w), (3wm), (3y), (4), (5), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (6n), and (10) and passed through to shareholders.

SECTION 249. 71.45 (2) (a) 10. of the statutes is amended to read:

71.45 (2) (a) 10. By adding to federal taxable income the amount of credit computed under s. 71.47 (1dm) to (1dy), (3g), (3h), (3n), (3q), (3w), (3y), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), (6n), and (10) and not passed through by a partnership, limited liability company, or tax-option corporation that has added that amount to the partnership[s], limited liability company's, or tax-option corporation[s] income under s. 71.21 (4) or 71.34 (1k) (g) and the amount of credit computed under s. 71.47 (3), (3t), (4), (4m), and (5).

SECTION 250. 71.47 (5f) of the statutes is created to read:

71.47 (5f) **FILM PRODUCTION SERVICES CREDIT.**

(a) Definitions. In this subsection:

1. "Accredited production" means a film, video, broadcast advertisement, or television production, as approved by the state film office, 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 \$100,000 for a production that is 30 minutes or longer or \$50,000 for a production that is less than 30 minutes. "Accredited production" includes a scripted, unscripted, reality, or competition production, but does not include any of the following, regardless of the production costs:
 - a. News, current events, or public programming or a program that includes weather or market reports.
 - b. A talk show.
 - c. A sports event or sports activity.
 - d. A gala presentation or awards show.
 - e. A finished production that solicits funds.
 - f. 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.
 - g. A production produced primarily for industrial, corporate, or institutional purposes.
2. "Claimant" means a film production company, as defined in sub. (5h) (a) 2., that operates an accredited production in this state, if the company owns the copyright in the accredited production or has contracted directly with the copyright owner or a person acting on the owner[s] behalf and if the company has a viable plan, as determined by the state film office, for the commercial distribution of the finished production.

3. "Commercial domicile" means the location from which a trade or business is principally managed and directed, based on any factors the state film office determines are appropriate, including the location where the greatest number of employees of the trade or business work, the trade or business has its office or base of operations, or from which the employees are directed or controlled.
4. "Production expenditures" means any expenditures that are incurred in this state and directly used to produce an accredited production, including expenditures for writing, budgeting, casting, location scouts, set construction and operation, wardrobes, makeup, clothing accessories, photography, sound recording, sound synchronization, sound mixing, lighting, editing, film processing, film transferring, special effects, visual effects, renting or leasing facilities or equipment, renting or leasing motor vehicles, food, lodging, and any other similar pre-production, production, and post-production expenditure as determined by the state film office. "Production expenditures" includes expenditures for music that is performed, composed, or recorded by a musician who is a resident of this state or published or distributed by an entity that has its commercial domicile in this state; air travel that is purchased from a travel agency or company that has its commercial domicile in this state; and insurance that is purchased from an insurance agency or company that has its commercial domicile in this state. "Production expenditures" does not include salary or wages or expenditures for the marketing and distribution of an accredited production.

(b) Filing claims.

Subject to the limitations provided in this subsection, for taxable years beginning after December 31, 2025, a claimant may claim as a credit against the tax imposed under s. 71.43 any of the following amounts:

1. To the extent the salary or wages are not claimed under subd. 2., an amount equal to 30 percent of the salary or wages paid by the claimant to the claimant's employees in the taxable year for services rendered in this state to produce an accredited production and paid to employees who were residents of this state at the time that they were paid.
2. An amount equal to 30 percent of the production expenditures paid by the claimant in the taxable year to produce an accredited production.
3. An amount equal to the taxes imposed under ss. 77.52 and 77.53, to the extent those taxes are not used in claiming a credit under subd. 2., that the claimant paid in the taxable year on the purchase of tangible personal property and taxable services that are used directly in producing an accredited production in this state, including all stages from the final script stage to the distribution of the finished production.

(c) Limitations.

1. No amount of the salary or wages paid under par. (b) 1. may be the basis for a credit under this subsection unless the salary or wages are paid for services rendered after December 31, 2025, and directly incurred to produce the accredited production.
2. The total amount of the credits that may be claimed by a claimant under par. (b) 1. shall not exceed an amount equal to the first \$250,000 of salary or wages paid to each of the claimant[s] employees, as described in par. (b) 1., in the taxable year, not including the salary or wages paid to the claimant[s] 2 highest-paid employees, as described in par. (b) 1., in the taxable year, if the claimant[s] budgeted production expenditures are \$1,000,000 or more.
3. No credit may be allowed under this subsection unless the claimant files an application with the state film office, at the time and in the manner prescribed by the office, and the office approves the application. The claimant shall submit a copy of the approved application with the claimant[s] return.
4. Partnerships, limited liability companies, and tax-option corporations may not claim the credit under this subsection, but the eligibility for, and the amount of, the credit are based on their payment of amounts under par. (b). A partnership, limited liability company, or tax-option corporation shall compute the amount of credit that each of its partners, members, or shareholders may claim and shall provide that information to each of them. Partners, members of limited liability companies, and shareholders of tax-option corporations may claim the credit in proportion to their ownership interest.

(d) Administration.

1. Section 71.28 (4) (e), (g), and (h), as it applies to the credit under s. 71.28 (4), applies to the credits under this subsection. Section 71.28 (4) (f), as it applies to the credit under s. 71.28 (4), applies to the credits under par. (b) 1. and 3.
2. If the allowable amount of the claim under par. (b) 2. exceeds the tax otherwise due under s. 71.43 or no tax is due under s. 71.43, the amount of the claim not used to offset the tax due shall be certified by the department of revenue to the department of administration for payment by check, share draft, or other draft drawn from the appropriation account under s. 20.835 (2) (bm).
3. Any person, including a nonprofit entity described in section 501 (c) (3) of the Internal Revenue Code, may sell or otherwise transfer a credit under par. (b) 1. or 3., in whole or in part, to another person who is subject to the taxes imposed under s. 71.02, 71.23, or 71.43, if the person notifies the department of the transfer, and submits with the notification a copy of the transfer documents, and the department certifies ownership of the credit. The transferee may first use the credit to offset tax of the transferor in the taxable year in which the transfer occurs and may use the credit only to offset tax in taxable years in which the credit is otherwise allowed to be claimed and carried forward by the original claimant.
4. Notwithstanding s. 71.82, no interest shall be paid on a refund based on an amount certified under this subsection.

Chapter 71: Income & Franchise Taxes for State & Local Revenues: Taxation of Insurance Companies: Credits

SECTION 251. 71.47 (5h) of the statutes is created to read:

71.47 (5h) **FILM PRODUCTION COMPANY INVESTMENT CREDIT.**

(a) Definitions. In this subsection:

1. "Claimant" means a person who files a claim under this subsection and who does business in this state as a film production company.

2. "Film production company" means an entity that creates films, videos, broadcast advertisement, or television productions, not including the productions described in sub. (5f) (a) 1. a. to g.
3. "Physical work" does not include preliminary activities such as planning, designing, securing financing, researching, developing specifications, or stabilizing property to prevent deterioration.
4. "Previously owned property" means real property that the claimant or a related person owned during the 2 years prior to doing business in this state as a film production company and for which the claimant may not deduct a loss from the sale of the property to, or an exchange of the property with, the related person under section 267 of the Internal Revenue Code.
5. "Used exclusively" means used to the exclusion of all other uses except for other use not exceeding 5 percent of total use.

(b) Filing claims.

Subject to the limitations provided in this subsection, for taxable years beginning after December 31, 2025, a claimant may claim as a credit against the tax imposed under s. 71.43, up to the amount of the taxes, for the first 3 taxable years that the claimant is doing business in this state as a film production company, an amount that is equal to 30 percent of the following that the claimant paid in the taxable year to establish a film production company in this state:

1. The purchase price of depreciable, tangible personal property.
2. The amount expended to acquire, construct, rehabilitate, remodel, or repair real property.

(c) Limitations.

1. A claimant may claim the credit under par. (b) 1., if the tangible personal property is purchased after December 31, 2025, and the personal property is used exclusively in the claimant[s] business as a film production company.
2. A claimant may claim the credit under par. (b) 2. for an amount expended to construct, rehabilitate, remodel, or repair real property, if the claimant began the physical work of construction, rehabilitation, remodeling, or repair, or any demolition or destruction in preparation for the physical work, after December 31, 2025, or if the completed project is placed in service after December 31, 2025.
3. A claimant may claim the credit under par. (b) 2. for an amount expended to acquire real property, if the property is not previously owned property and if the claimant acquires the property after December 31, 2025, or if the completed project is placed in service after December 31, 2025.
4. No claim may be allowed under this subsection unless the state film office certifies, in writing, that the credits claimed under this subsection are for expenses related to establishing a film production company in this state and the claimant submits a copy of the certification with the claimant[s] return.
5. No credit may be allowed under this subsection for any amount that the claimant paid for expenses described in par. (b) that the claimant used to claim a credit under sub. (5f).
6. Partnerships, limited liability companies, and tax-option corporations may not claim the credit under this subsection, but the eligibility for, and the amount of, the credit are based on their payment of amounts under par. (b). A partnership, limited liability company, or tax-option corporation shall compute the amount of credit that each of its partners, members, or shareholders may claim and shall provide that information to each of them. Partners, members of limited liability companies, and shareholders of tax-option corporations may claim the credit in proportion to their ownership interests.

(d) Administration.

1. Section 71.28 (4) (e) to (h), as it applies to the credit under s. 71.28 (4), applies to the credits under this subsection.
2. Any person, including a nonprofit entity described in section 501 (c) (3) of the Internal Revenue Code, may sell or otherwise transfer a credit under this subsection, in whole or in part, to another person who is subject to the taxes imposed under s. 71.02, 71.23, or 71.43, if the person notifies the department of the transfer, and submits with the notification a copy of the transfer documents, and the department certifies ownership of the credit. The transferee may first use the credit to offset tax of the transferor in the taxable year in which the transfer occurs and may use the credit only to offset tax in taxable years in which the credit is otherwise allowed to be claimed and carried forward by the original claimant.
3. Notwithstanding s. 71.82, no interest shall be paid on a refund based on an amount certified under this subsection.

Chapter 71: Income & Franchise Taxes for State & Local Revenues: Taxation of Insurance Companies: General Provisions

SECTION 252. 71.49 (1) (epr) of the statutes is created to read:

71.49 (1) (epr) Film production company investment credit under s. 71.47 (5h).

SECTION 253. 71.49 (1) (eps) of the statutes is created to read: 71.49 (1) (eps) Film production services credit under s. 71.47 (5f) (b) 1. And 3.

SECTION 254. 71.49 (1) (f) of the statutes is amended to read:

71.49 (1) (f) The total of farmland preservation credit under subch. IX, jobs credit under s. 71.47 (3q), enterprise zone jobs credit under s. 71.47 (3w), business development credit under s. 71.47 (3y), research credit under s. 71.47 (4) (k) 1., film production services credit under s. 71.47 (5f) (b) 2., and estimated tax payments under s. 71.48.