CONGRESSWOMAN LAURA FRIEDMAN
CALIFORNIA'S 30TH DISTRICT

The Bipartisan, Bicameral

Motion Picture, Television, and Entertainment Revitalization Act

Reps. Moran (R-TX), Sanchez (D-CA), Jack (R-GA), Friedman (D-CA)
Sens. Scott (R-SC) & Schiff (D-CA)

This Motion Picture, Television, and Entertainment Revitalization Act amends the Internal Revenue Code by adding a new section providing a 20% base tax credit on qualified compensation for qualified film and television productions.

A qualified film or television production is defined as a feature film, television pilot, or television season produced for commercial purposes, with a total cost exceeding $1 million and where 75% of the principal photography days occur within the United States.

This legislation exempts certain productions from eligibility, including news, live sports, talk shows, daytime dramas, social media content, advertising, and corporate videos.

Qualified compensation is defined as payments for labor-based services (including pre-production and post-production activities) performed in the United States, excluding participations and residuals.

Several 5% bonus credits are available, increasing the base credit up to a maximum of 30%:
- If at least 30% of principal photography days occur in a rural qualified opportunity zone or a federally declared disaster area;
- Independent productions;
- Multi-state producers who conduct at least 50% of a production's principal photography and spend at least $10,000,000 in qualified compensation in 10 or more States;
- Taxpayers who increase their number of domestic productions relative to a historical foreign base amount;

The credit is available for domestic traditional post-production (TPP) and visual effects (VFX) activities provided that at least 75% of the total costs for the respective VFX or TPP services are incurred in the United States. For productions that qualify as both a TPP and a VFX production, the amounts treated as qualified compensation for both activities are added together to determine the total qualified compensation. TTP and VFX productions can receive an additional 5% bonus for independent productions or productions operating in opportunity zones or disaster areas.

The Secretary of the Treasury is authorized to require reporting and issue regulations necessary to implement the section, including rules for substantiating indirect payments and determining eligibility for bonus percentages.

This legislation reduces the production's basis by the amount of credit received and allows the credit to be transferred to another taxpayer.

The amendments apply to productions commencing in taxable years beginning after December 31, 2026.