

HOW TO APPLY & RECEIVE YOUR CREDIT IN JUST TEN EASY STEPS:

Please do not begin this process until you are officially green-lit: fully financed and in prep.

→ **Stand-alone post production** has separate instructions, listed in the incentives section of nmfilm.com.

Step One: Read this entire document. Yes, really.

This clear-cut, step-by-step, bomb-proof document was created to make your experience and understanding of our tax credit process as painless as possible. So please grab a cup of coffee, a quiet corner and 20 minutes. If you're in a mad rush, simply visit "Tax Credit FAQs" online. But please read the entire document when time allows and follow the steps (repeat: f o l l o w t h e s t e p s) when applying.

Step Two: Print Checklist available online.

Print the Tax Credit Checklist and post on your production wall.

Step Three: Registration & Agreement

Complete the following two (2) forms.

- 1) *Film Production Company Registration*
- 2) *Film Production Tax Credit Agreement* (Stand-alone post production has a separate form)

These forms are located in the incentives section of www.nmfilm.com: click "incentives" in the top menu and then in the red section on the right there is a side menu with a link to "forms."

Note: there is no deadline to submit these forms; however, we ask that they are submitted *before* principal photography begins, or for stand-alone post-production, before post has been completed.

Mail, fax or email to:

John Raymond Armijo | New Mexico Film Office | c/o NM Economic Development Dept. | Joseph Montoya Building
1100 St. Francis Drive | Santa Fe, NM 87505 | Fax: 505.476.5601 | Email: john@nmfilm.com

After we approve the Registration Form, a signed copy of the Agreement will be faxed to you for your records.

Step Four: Submit script

Submit script to the NMFO*. Any non-scripted projects (reality television, documentaries, etc...) or stand-alone post production must submit a treatment/synopsis/storyboard/other medium-appropriate outline and indicate if it involves any potentially hazardous conditions, minors or animals, and its compliance with state laws.

Preferred method for sending script: PDF or Final Draft via email to tobi@nmfilm.com or hard copy (to support our Green efforts, printing double-sided would be appreciated) to: New Mexico Film Office (address above in Step Three)

→ **We may already have your script on file, so check with the Film Office first before submitting!*

Step Five: Pre-production meeting

Call or email the Film Office to schedule a pre-production meeting* with the *New Mexico Taxation & Revenue Dept.* and the *New Mexico Film Office*. This meeting should include your *Head Accountant, Payroll Accountant, other accountants if deemed necessary, Line Producer and/or UPM and/or Production Supervisor*. Film Office: 505.476.5612 or tobi@nmfilm.com

For budgets under \$1M, this meeting is optional; however, ALL films are encouraged to contact the Film Office or TRD if they have any questions **after thoroughly reviewing this document.*

COMPLETE YOUR PRODUCTION!

Enjoy our state, be safe, and please contact us if you need any assistance along the way.

Step Six: After completion of principal photography, place newspaper ad

(Stand-alone post-production submissions are excluded from this requirement.)

In compliance with the *Production Tax Credit Agreement*, please provide proof of the following:

“Production shall agree to publish, at completion of principal photography, a notice at least once a week, for three consecutive weeks, in local newspapers in regions where filming has taken place to notify the public of the need to file creditor claims against the film production company by a specified date.” *Ads can be of any size.* This must include production title, address of production company, phone, fax, and email for BOTH your local production office, as well as your primary or corporate office, as vendors need to be able to contact you after you have closed your NM office. Please submit this information to John Raymond Armijo at john@nmfilm.com and fax or email a copy of the invoice for all three weeks or send copies of all three ads: 505.476.5601 fax

This information will also be posted on the web site of the NMFO until all financial obligations have been met. To view a **sample** newspaper ad, please contact John Raymond Armijo: john@nmfilm.com

Step Seven: Did you pay everyone?

Email john@nmfilm.com for verification that payment of all financial obligations incurred in the State of New Mexico has been made and that you do not have any outstanding financial obligations. The NMFO will provide a letter to TRD confirming that this requirement, per law, has been fulfilled. Until we have confirmation that all financial obligations in the state have been met, we cannot, by law, submit your Tax Credit Package to TRD.

Step Eight: Stats

Complete the “Stats” form and email to john@nmfilm.com. Form can be found at www.nmfilm.com: click “incentives” in the top menu and then in the red section on the right there is a side menu with a link to “forms.”

Step Nine: Mail your Tax Credit Package to the NMFO

Complete the following form: *Application for Film Production Tax Credit (RPD-41229)*

Form can be found at www.nmfilm.com under “Incentives.” The address on this form should be your corporate, home or primary office – **not** your New Mexico production office, because your credit check will be sent to the address you list if you do not choose direct deposit.

→ **REVIEW “Tips for Preparation of your bibles” before proceeding, and if you have any questions about how to prepare your package, please contact:** Mary Ann Fernandez of TRD: 505.827.0919 or maryann.fernandez@state.nm.us

Physically mail your TAX CREDIT PACKAGE (email submissions are not acceptable), which must include:

- Application for Film Production Tax Credit form (RPD-41229)**
- Bible #1 entitled PAYROLL (One printed/hard copy and one CD if possible). Included in the “Payroll” Bible**
should be Declaration of Residency forms with proofs of residency attached to the forms and sorted alphabetically by last name. If possible, please include Payroll Summary Report.
- Bible #2 entitled PETTY CASH: Copies of petty cash envelopes, sorted by PC envelope number**
- Bible #3 entitled VENDORS/ACCOUNTS PAYABLE (If possible, include CD)**
- Remember to include:**
 - Backup for fuel cards (invoices with location address)
 - Backup for P-cards/credit cards
 - Backup for shipping
 - Chart of Accounts
 - Transaction summary for nonresident cast (actors, salaries, and proof of GRT being paid)
- For productions over \$1M: Submit hard copy Final Crew list and Final AP Vendor list**

FEWER MISTAKES EQUAL A FASTER CREDIT!

Send your completed Tax Credit Package to:

[John Raymond Armijo](#)
[New Mexico Film Office](#)
[c/o NM Economic Development Dept.](#)
[Joseph Montoya Building](#)
[1100 St. Francis Drive](#)
[Santa Fe, NM 87505](#)

Upon review by the NMFO and a second confirmation that all financial obligations in the state have been met, this package will be forwarded to the New Mexico Taxation & Revenue Department (TRD). TRD performs an audit and will review your claim *line by line*. TRD may require additional backup, so please have this readily available and provide any requested documentation to TRD immediately, as your response time will directly affect the timeliness of the audit. After a review of the audit, they will **return** the *Application for Film Production Tax Credit* form to you with the approved amount.

How long does the audit take?

TRD performs audits based upon the order in which they are received, so they cannot predict a guaranteed timeframe. Other factors, such as size of credit, having “clean,” detailed ledgers, and providing TRD with documentation promptly when requested, will determine the length of the audit process. After you have signed off on the approved amount and filed your New Mexico tax return (step twelve below), it will take an additional 3 – 4 weeks to receive your credit.

[Step Ten: After you receive your “approved amount” application, file your tax return after the close of your taxable year and wait for your credit](#)

After you receive the form back from TRD with the approved amount, **file an income tax return*** (Using forms: PIT, CIT, PTE or FID-1) after the close of your taxable year. This means that even though you have an approved amount from TRD, you must wait until “after the close of the taxable year” to file your credit claim.

For a quicker check, be sure to check the “REFUND EXPRESS” box for direct deposit.

**If you need help figuring out which income tax return to use, Jerry Montoya (contact info below) can walk you through the process.*

Attach a copy of the approved *Application for Film Production Tax Credit* to **your income tax return** and send to:

Jerry Montoya
Audit and Compliance Division, Director's Office
P.O. Box 630
Santa Fe, NM 87504-0630

The credit will then be applied to any tax liability you have incurred (franchise fees, if applicable), with the excess credit refunded back to your production company based on the deferment payments structured below:

If your tax credit is less than \$2M:
You'll receive your credit immediately upon authorization by TRD

If your tax credit is between \$2M, but less than \$5M:
You'll receive your credit in two equal payments: one immediately upon authorization by TRD subject to the cap, and the second half twelve months later subject to the cap.

If your tax credit is \$5M or more:
You'll receive your credit in three equal payments: one immediately upon authorization by TRD subject to the cap, the second payment twelve months later subject to the cap, and the third payment twenty-four months after the first payment subject to the cap.

Once TRD has received your approved Application and tax return, it will take approximately 3 – 4 weeks to receive your credit. *Sorry, no, we cannot expedite the process.*

If you didn't find your question or answer in this document, please contact:

General questions about the process or Film Office forms:

New Mexico Film Office: 505.476.5612 or tobi@nmfilm.com

Questions pertaining to your Tax Credit Package or the audit:

Mary Ann Fernandez, Supervisor, Film Unit, TRD: 505.827.0919 or maryann.fernandez@state.nm.us

Jerry Montoya, Audit Review, TRD: 505.827.0929 or jerrym@state.nm.us