2012

Massachusetts Department of Revenue

Form STE
Application for Sales Tax Exemption

For calendar year 2012 or taxable year beginning **and ending**

General Information

Motion picture production company name ("Company") | Federal Identification number

Mailing address | City/Town | State | Zip

Name of production | Expected or actual release or premiere date of this production

Type of production

☐ Feature film ☐ Television series ☐ Documentary ☐ Commercial/advertisement ☐ Other (explain)

Designated production company representative | Telephone | E-mail address

Massachusetts qualifying period start date | Massachusetts qualifying period end date

Name of payroll service provider (if any) | Federal Identification number

Mailing address | City/Town | State | Zip

Estimated Production Information

	Everywhere		Massachusetts	
	Start date	**End date**	**Start date**	**End date**
Pre-production				
Production				
Post-production				

1 Type of entity:
☐ Corporation ☐ Trust ☐ Partnership ☐ Sole proprietorship ☐ LLC

2 Is company or its payroll service provider registered for withholding of Massachusetts personal income tax on salaries paid to its employees?
☐ Yes ☐ No. If No, use our Webfile for Business application to register for withholding and wage reporting once you have employees subject to Massachusetts withholding.

3 Is company (including the parent or an affiliate of the company) in default on a loan made or guaranteed by the Commonwealth (see TIR 06-01)?
☐ Yes ☐ No

4 Company's total estimated qualifying production costs everywhere during the period (see TIR 06-01) **4**

5 Company's total estimated qualifying production costs in Massachusetts during the period (see TIR 06-01) **5**

6 Total wages and salaries included in line 5, excluding salaries over $1,000,000. . . . . **6**

7 Wages and salaries of $1,000,000 or over paid to an individual and included in line 5. . . . . **7**

8 Cost of set construction and operation included in line 5 . . . . . **8**

9 Location fees and cost of rental or purchased facilities and equipment included in line 5. . . . . **9**

10 Total other Massachusetts production expenses included in line 5 . . . . . **10**

11 Estimate of Massachusetts production expenses included in line 5 . . . . . **11**

12 Estimate number of principal photography days of the film **12**

13 Estimate number of principal photography days taking place in the Commonwealth **13**

I declare under the pains and penalties of perjury that to the best of my knowledge, the information contained herein is accurate and complete.

Signature | Date

Mail to: **Massachusetts Department of Revenue, Audit Division, 200 Arlington Street, Room 4300, Chelsea, MA 02150, attn.: Film Credit Unit.**

Schedule STE Instructions

What is the Sales Tax Exemption?

For taxable years beginning on or after January 1, 2006 and before January 1, 2023, the Act provides sales tax exemptions that can be asserted by a qualifying motion picture production company or a qualifying film school student. M.G.L. c. 64H, § 6(ww). Production expenses that qualify for the sales tax exemption under the Act may also qualify for the production expense credit.

Who is Eligible for the Exemption?

Production companies who expend over $50,000 in Massachusetts production costs during a consecutive twelve-month period are eligible if they meet certain requirements. A motion picture production company is a company including its subsidiaries engaged in the business of producing motion pictures, videos, television series, or commercials intended for a theatrical release or for television viewing. The term “motion picture production company” shall not mean or include any company which is more than 25 per cent owned, affiliated, or controlled, by any company or person which is in default on a loan made by the Commonwealth or a loan guaranteed by the Commonwealth.

Eligibility Requirements

For taxable years beginning on or after January 1, 2006 and before January 1, 2023, Massachusetts allows sales tax exemption for motion picture production companies who meet certain qualification requirements. Production companies who incur at least $50,000 of production costs in the Commonwealth and whose Massachusetts production expenses exceed 50 percent of the total production costs or the Massachusetts shoot days are at least 50 percent of the total shoot days are eligible for the sales tax exemption.

What is a Qualifying Period?

The $50,000 qualification period serves as the “determination” period in that the taxpayer must incur in the Commonwealth at least $50,000 of total production expenses during the consecutive twelve month period to be eligible for sales tax exemption. In some cases, the taxpayer may be able to choose between one or more possible $50,000 qualification periods. However, only one $50,000 qualification period is allowed for each motion picture. A taxpayer may choose to have a $50,000 qualification period that is less than 12 months, but may not subsequently reopen or extend this qualification period in order to claim more qualifying expenses. In addition, the $50,000 qualification period must be the same for the payroll credit, the production expense credit and the sales tax exemption. Consequently, the choice of the $50,000 qualification period (including choosing a period shorter than 12 months) may have a bearing on the application of the production expense credit and the sales tax exemption.

General Information

Complete the general information section of this application with the information available at the time of filing. If the working title of the production or any other information changes prior to filing for the actual credit, please notify the Department. The qualifying period must be determined at the time of filing and can not change at any time after the exemption is granted.

Line 1

Indicate the type of entity.

Line 2

A taxpayer or its payroll company must be registered for withholding of Massachusetts personal income tax and must withhold from its payroll expenses in order for the payments to qualify as an aggregate payroll expense for purposes of the payroll credit or to qualify as a Massachusetts production expense for purposes of the production expense credit. The Commissioner will require withholding whether or not the amounts paid are to “employees” or constitute “wages” as defined in M.G.L. c. 62B, § 1.

Line 3

A taxpayer (including an owner, parent or affiliate of the taxpayer) is not eligible for the payroll or production expense credit or the sales tax exemption if it is in default on a loan made by the Commonwealth or a loan guaranteed by the Commonwealth.

Line 4

Enter the total overall estimated costs for the production. This should include both Massachusetts and non-Massachusetts costs.

Line 5

Enter the total Massachusetts costs for the production. This should include only costs directly attributable to Massachusetts.

Note: Line 5 must be at least 50 per cent of line 4 to qualify for the exemption. If line 5 is not 50 per cent of line 4, the production may still qualify if line 13 is 50 per cent of line 12.

Line 6

Enter the total Massachusetts qualifying payroll amount. Only actual payments to employees may be used to determine the qualifying aggregate payroll, and only in the instance in which the payment constitutes Massachusetts source income to the recipient. Qualifying aggregate payroll may also include fringe benefits to employees to the extent such benefits constitute Massachusetts source income. Do not include payroll for salaries of “high salary employees”, where the employee’s salary is $1,000,000 or more.

Line 7

Enter the Massachusetts wages and salaries of “high salary employees”, where the employee’s salary is $1,000,000 or more.

Line 8

Enter the cost of set construction and other qualified production costs included in line 5.

Line 9

Enter location fees and cost of rental or purchased facilities and equipment included in line 5.

Line 10

Enter the total other Massachusetts production expenses.

Line 11

Enter the estimate of all Massachusetts production expenses included in line 5. This should be the total of lines 7 through 10.

Note: The total of lines 6 and 11 should equal line 5.

Line 12

Enter the total number of principal photography days on this production.

Line 13

Enter the total number of principal photography days taking place in Massachusetts.

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