



ADMINISTRATIVE RULES OF MONTANA



42.4.3412 POSTPRODUCTION TAX CREDIT APPLICATION

- (1) To reserve a postproduction tax credit, the postproduction company must submit a media postproduction tax credit application to the department, using the department's online portal and according to department procedures, each tax year the postproduction company is certified by the Montana Department of Commerce, including all supporting documentation provided in this rule, with payment of the statutory fee required under 15-31-1005, MCA. The media postproduction tax credit application will not be considered "filed" until:
 - (a) the postproduction company, including its affiliates if the postproduction company is a C corporation, taking part in the state-certified postproduction complies with 15-31-1003(8), MCA;
 - (b) the postproduction company has paid the required fee; and
 - (c) the application includes the documentation required in this rule presented in an orderly manner.
- (2) The fee required under 15-31-1005, MCA, is due with each new submission of the postproduction tax credit application.
- (3) The postproduction tax credit application must be filed by the 15th day of the fourth month following the end of the tax year the qualified wages were incurred. For the purpose of this section, qualified wages incurred from July 1, 2019 until the first day of the tax year beginning in 2020 are deemed to have occurred in the tax year beginning in 2020.
- (4) A postproduction tax credit application is considered "submitted" when the following documentation is received by the department:
 - (a) the items described in (1) and (2);
 - (b) the verification report conforming to the requirements under 15-31-1006, MCA;
 - (c) a list of all the affiliates that incurred the qualifying wages paid included in the postproduction credit base; and
 - (d) a detailed listing of employee names, individual tax identification numbers, Montana wages paid, and the nature of the personal services rendered by the employee.
- (5) Any application or submission of costs information presented to the department in a disorganized or unsystematic manner, or where source documents, receipts, and other support documents are provided in an unprepared format, will be deemed "insufficient for review" by the department and will be returned to the applicant, or its designated, authorized representative. In this case, the

statutory fee will not be refunded. However, a subsequent, acceptable submission of costs will not require a second payment of the fee.

- (6) If the department accepts the application for review but determines that additional documentation is necessary to correct or complete the application, it will send one written request for additional information to the applicant, or its designated, authorized representative.
 - (a) The department's correspondence will list the deficiencies of the items required under (4) and provide the applicant or its authorized representative 30 days to cure all deficiencies.
 - (b) Failure by the applicant or its authorized representative to provide the requested items within the time prescribed in (6)(a) may result in the denial of the application and the return of all application materials to the applicant. In this case, the statutory fee will not be refunded by the department.
- (7) The department may adjust the amount of tax credit reported on the application if the claimant is not able to provide records substantiating the inclusion of the wages in the credit base before the closure of the verification period, but not earlier than 30 days after a department's information request. Any downward adjustment to a base investment by the department is not considered a denial or a return of the submission costs. The statutory fee is not refundable.
- (8) The postproduction company is responsible for keeping records of all substantiating evidence of payment of compensation. Copies of the tax credit documentation, organized in the same manner as described in (5), must be provided to the certified public accountant verifying the costs and the calculation of the tax credit.

Authorizing statute(s): 15-31-1012, MCA

Implementing statute(s): 15-1-201, 15-31-1012, MCA

History: NEW, 2020 MAR p. 1638, Eff. 8/29/20.