



ADMINISTRATIVE RULES OF MONTANA



42.4.3414 OVERALL CALENDAR YEAR LIMITATION

- (1) The tax credit limit in 15-31-1010, MCA, applies to the aggregate amount of production and postproduction tax credits issued in Montana for a credit year.
- (2) The aggregate amount of tax credit reserved is determined in the following order:
 - (a) A production or postproduction company reserves the tax credit for a credit year as determined in ARM 42.4.3408.
 - (b) A credit is reserved on the date a complete media tax credit application is filed based on the amount requested on the application.
 - (c) Amounts reserved are aggregated on a "first-come, first-served" basis for each tax credit year until the tax credit limit amount in 15-31-1010, MCA, is reached. If two or more production companies file their media production tax credit application simultaneously, or if tax credit reservations are postponed on the same day to a credit year according to (d), priority will be given to the production company with the lesser base investment.
 - (d) Any amount reserved in excess of the overall limitation amount for a given credit year must be included in the aggregate credit amount of the earliest following credit year for which the total amount of credit reserved is less than the applicable overall limitation amount for that year. If, after review by the department, a reserved credit amount for a given credit year is not issued, the difference between the total credit amount reserved and the amount issued may only be used for credit amounts reserved but not yet issued on a first-come, first-served basis.
 - (e) Once a credit amount is verified and a final determination is reached, the amount of tax credit reserved becomes issued for the credit year allocated according to this rule.
 - (f) The credit year of a media production tax credit issued cannot be changed.
 - (g) The department will provide contemporaneous information to the Montana Department of Commerce to update the amount of tax credit reserved on its website.
- (3) To conform with 15-31-1010(2)(b), MCA, when a credit year for a certain tax credit amount is postponed one year because the total reserved amount of tax credit exceeds the overall limitation amount for that calendar year, the carryover period provided in ARM 42.4.3418 is reduced by one year. This reduction must be indicated in the UCRN associated with the tax credit as described in ARM 42.4.3417. Once the carryover period is reduced to zero because the reserved tax credit was in excess of the tax credit limitation amount for five consecutive years, any amount of reserved tax credit in excess of the total credit amount for the fifth year following the initial credit year of media tax credit application will be denied.

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.