



ADMINISTRATIVE RULES OF MONTANA

42.4.3407 TAX CREDIT FOR POSTPRODUCTION WAGES – CREDIT BASE

- (1) The credit base for the postproduction tax credit equals the sum of hourly wages directly incurred in Montana for state-certified postproduction activities during a tax year. Postproduction activities related to a state-certified production begin on the day following the last day of principal photography in Montana. Postproduction activities performed in Montana for photography performed outside Montana qualify regardless of the date of principal photography.
- (2) When an employee is not paid an hourly wage, the postproduction company must provide an hourly cost of the employee compensation based on a regular work week. No wages may be included in the postproduction credit base if the same wages are already included in a production credit base.
- (3) The postproduction tax credit cannot exceed the total amount of compensation paid to postproduction company employees for personal services performed in Montana. For the purpose of this rule, compensation paid includes compensation paid in the first month following the tax year in which the wages included in the postproduction credit base were incurred.
- (4) To be included in the postproduction credit base, postproduction wages must be directly related to a state-certified production. A wage is directly related to a qualified postproduction activity when the personal services rendered by the employee are necessary for the completion of the postproduction activity, as defined under 15-31-1003(13), MCA. Administrative activities of the postproduction company such as secretarial, accounting, human resources, or marketing services are not directly related to qualified postproduction activities.
- (5) The postproduction company must maintain current and ongoing paper or electronic employee timekeeping records of the hours spent by an employee on the state-certified postproduction activity. If no such records are kept, the employee wages shall be excluded from the postproduction credit base. Timekeeping records must contain the name of the employee, job title or work function, days and number of hours worked each day on a state-certified production, and the work location.

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

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

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