

SPECIAL NOTICE

May 30, 2006

For further information contact:

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1-800-647-7706 or (360) 705-6676

Alternate Formats (360) 705-6715
Teletype 1-800-451-7985

Motion Picture Competitiveness Program Contributors - B&O Tax Credit

Persons who make cash contributions to an approved Motion Picture Competitiveness Program are eligible for a business and occupation (B&O) tax credit effective June 7, 2006. (Second Substitute Senate Bill 6558)

The Motion Picture Competitiveness Program (MPCP) is intended to revitalize the state's economic, cultural, and educational standing in the motion picture market by providing financial assistance for motion pictures filmed in Washington. For more information about the program or to make cash contributions, please contact the Washington State Film Office at <http://filmwashington.com/incentives/index.html>.

Requirements for the B&O Tax Credit

- Contributions must be made before the credit is claimed.
- Credit cannot be claimed before July 1, 2006 (for monthly filers this is the June 2006 return).
- Credit cannot exceed the B&O tax due for the reporting period.
- Credit may be claimed in the current year or carried over for up to three succeeding years.
- No refunds of credits will be approved.
- No application is necessary for the tax credit.
Note: adequate records must be kept for the Department to verify eligibility of the credit.
- Persons claiming the credit are **required** to file electronically (E-file) with the Department for all returns, forms, and any other information required. Visit our web site at <http://dor.wa.gov> and click on the Online Services tab.
- No credit may be earned for contributions made on or after July 1, 2011.

The maximum credit that may be earned for each calendar year for a person is limited to the lesser of:

- \$1 million; or
- Through calendar year 2008, an amount equal to 100 percent of the contributions made by the person to a MPCP during the calendar year; and
- For calendar years after 2008, an amount equal to 90 percent of the contributions made by the person to a MPCP during the calendar year.

The maximum total amount of credits that will be allowed statewide during a calendar year is \$3.5 million. Credits are available on a first-in time basis. If the maximum credit allowance is reached, we will send notices to persons claiming the tax credit allowing 30 days for them to pay the tax due.

To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 705-6715. Teletype (TTY) users please call 1-800-451-7985.