

Program Summary:

- 1) **Oregon Production Investment Fund (OPIF)** – rebates 20% of goods/services and 10% of Oregon-based payroll. Applies to projects spending a minimum of \$750,000 in Oregon for any single project or season of a series.
- 2) **Greenlight Oregon Labor Rebate** – rebates 6.2% of payroll for which Oregon withholding applies. Applies to single projects or season of a series spending a minimum of \$1M in Oregon, as well as commercial production companies with an aggregate Oregon spend of \$1M or more per calendar year.

Projects that spend a minimum of \$1m in the state can combine the two above programs for an effective rebate of 20% of goods and services and 16.2% of Oregon-based payroll.

In addition to the above programs, Oregon has a rebate for *local filmmakers only*:

- 3) **Indigenous OPIF (i-OPIF)** – rebates 20% of goods/services and 10% of Oregon-based payroll (including fringe benefits). Applies to projects spending a minimum of \$75,000 and less than \$750,000 in Oregon for any single project or season of a series. The local filmmaker must hire at least 80% Oregon crew, contract with a CPA for payroll services and carry production insurance.

Q: Are the incentives a tax credit?

A: No, Oregon issues a **cash rebate** as opposed to a tax credit.

Q: Are the incentives limited? If so, how much is available per year?

A: The OPIF rebate (20% goods/services & 10% payroll) is limited by the total funds available - \$7.5M per fiscal year (July to June). The i-OPIF is limited to 5% of the total of the OPIF fund. The Greenlight rebate is a pass-back of the Oregon state withholding tax (up to a maximum of 6.2%) applicable to production payroll and thus is not limited.

Q: Do I have to withhold 6.2% from each of my employees for the Greenlight rebate?

A: No, the *aggregate* withholding must be 6.2% or more. Individual employee payroll is handled no differently than normal, with the employee indicating number of dependents and exclusions. If a project's aggregate withholding is less than 6.2%, then the Greenlight rebate would not exceed the aggregate withholding. To date, no project has withheld less than an aggregate of 6.2%.

Q: What qualifies as "Oregon-based payroll"? Does it apply only to Oregon-resident crew?

A: Any production-related payroll, regardless of employee state of residence, is rebateable as long as Oregon state withholding tax applies to the wages. For i-OPIF at least 80% of the crew must be *Oregon residents*.

Q: *What about loan-out companies?*

A: Provided that the loan-out company has registered with the Oregon Secretary of State to do business in Oregon as a foreign corporation, then payments to loan-outs making *less* than \$1M per project are included as part of the 20% goods/services rebate. Proof of registration must be provided with final accounting paperwork. Loan-out companies paid more than \$1M per project are ineligible under the OPIF program rules.

Q: *How does the loan-out registration process work? How much does it cost?*

A: Forms can be found at <http://www.filinginoregon.com/forms/business.htm>. Foreign corporations are also required to have a registered agent in Oregon to whom tax documents can be mailed. A list of registered agents can also be found on the Secretary of State's website.

Q: *What about the LLC or production company, does it need to be an Oregon corporation?*

A: No, the production company does not need to be an Oregon corporation. Foreign corporations do need to register to do business in Oregon, and provide proof of registration with their final accounting paperwork. This process is the same as the above information for loan-outs.

Q: *Are payroll taxes or fringe benefits covered under the rebates?*

A: Employee benefits such as vacation, health and pension are included *only* in the 10% portion of the OPIF or i-OPIF rebates. This applies to PH&W benefits for both individuals and qualified Loan Outs. Benefits are not included in the 6.2% Greenlight rebate, as it only applies to wages. Payroll taxes (FICA, FUI, SUI, etc.) are not covered under either rebate program.

Q: *What about box rentals and per diem?*

A: If an individual is working in Oregon and they are receiving a box rental, kit rental, per diem or living allowance, then those moneys will qualify for the 10% labor rebate. If a Loan Out company is receiving similar payments while working in Oregon, then those payments qualify under the 20% goods and service rebate. In order to qualify for the 20%, the company must be the registered company for the individual who is receiving the payment.

Q: *How long does it take to receive a rebate check?*

A: Once the production company has submitted all of the required paperwork to the Oregon Film Office, the initial review process takes approximately two weeks. If there are no questions or additional back-up paperwork needed, then the check for the OPIF or i-OPIF portion of the rebate (20% of goods/services and 10% of payroll) takes approximately 2-3 additional weeks to be issued.

The Greenlight Labor Rebate (an additional 6.2% of payroll) is issued approximately 2-3 weeks after the Oregon Department of Revenue has verified that the final quarterly tax payment and report that is applicable to the project has been received. Payroll processing companies normally make their quarterly payments within 30 days after the end of previous quarter. Thus, for a project that wraps in May, the final quarterly report is typically filed by July 31st.