### Part 1. Production Information

**Number of people employed in North Carolina with respect to the production**

**Enter the name and a description of production**

**List all North Carolina counties used as sites in the production**

### Part 2. Computation of Credit for Qualifying Expenses of a Production Company

1. **Total qualifying expenses spent in North Carolina for goods leased or purchased**
   
2. **Total qualifying expenses spent in North Carolina for services leased or purchased**
   
3. **Total qualifying expenses spent in North Carolina for compensation and wages paid**
   
4. a. **Employee fringe contributions**
   
   b. **Other qualifying expenses**

5. **Total North Carolina Qualifying Expenses**
   
   Add Lines 1 through 4b (If $250,000 or less, stop here; you are not eligible for the credit.)

6. **Credit for Qualifying Expenses of a Production Company**
   
   Multiply Line 5 by 25% (.25) and enter amount here; do not exceed $20,000,000 for a production that is a feature film.

### Part 3. Certification

I certify that the taxpayer filing Form NC-415 meets the requirements for claiming the tax credit and that the information given is, to the best of my knowledge, accurate and complete.
This form is used to calculate the amount of income tax credit for qualifying expenses of a production company and should only be used for taxable years beginning on or after January 1, 2011. The credit is calculated on all of the taxpayer’s qualifying expenses incurred in this State in connection with a production, including expenses incurred in earlier years. The tax credit must be claimed in the taxable year in which the production activities are completed. If more than one production is completed during a taxable year, a separate Form NC-415 must be filed for each production. The information below does not cover all provisions of the law. For more information, go to the Department’s website, www.dornc.com, and select “Tax Professionals”.

Eligibility. A production company that has qualifying expenses of at least two hundred fifty thousand dollars ($250,000) with respect to a production is allowed a credit against income taxes equal to twenty-five percent (25%) of the production company’s qualifying expenses.

Due date. To be eligible for the tax credit, the production company must file Form NC-415 with the Department of Revenue by the due date of the income tax return for the taxable year in which the production activities are completed. If the taxpayer is granted an extension of time to file its income tax return, the due date for Form NC-415 will be extended to correspond with the extended due date of the income tax return. Processing of the credit cannot begin until after the income tax return for the taxable year in which the production activities are completed is filed.

Taxpayers must claim the income tax credit for qualifying expenses on Form NC-415. Any tax liability for the tax year in which the tax credit is claimed must be paid to the Department of Revenue before the tax credit can be processed. Important. A pass-through entity that qualifies for this credit does not allocate the credit among its owners as is the general rule for credits earned by pass-through entities. Instead, the pass-through entity is considered the taxpayer for purposes of claiming the credit.

Limitations. The amount of tax credit allowed for a production that is a feature film may not exceed twenty million dollars ($20,000,000). There is no maximum credit for other types of productions. No credit is allowed for the following types of productions:

- Political advertisements.
- Television productions of a news program or live sporting event.
- Productions that contain material that is obscene, as defined in G.S. 14-190.1.
- Radio productions.

Substantiation. Taxpayers claiming this credit must maintain and make available for inspection any information or records required by the Department of Revenue. The burden of proving eligibility for the credit and the amount of credit rest upon the taxpayer. The Department of Revenue may consult with the North Carolina Film Office of the Department of Commerce and the regional film commissions to determine the amount of qualifying expenses. Qualifying expenses subject to audit before credit is allowed.

Definitions. The following definitions apply:

Qualifying expenses - The sum of the following amounts spent in this State by a production company in connection with a production, less the amount in excess of one million dollars ($1,000,000) paid to a highly compensated individual:

1. Goods and services leased or purchased. For goods with a purchase price of twenty-five thousand dollars ($25,000) or more, the amount included in qualifying expenses is the purchase price less the fair market value of the good at the time the production is completed.

Highly compensated individual - An individual who directly or indirectly receives compensation in excess of one million dollars ($1,000,000) for personal services with respect to a single production. An individual receives compensation indirectly when a production company pays a personal service company or an employee leasing company that pays the individual.

Production company - A person engaged in the business of making original motion picture, television, or radio images for theatrical, commercial, advertising, or educational purposes.

Feature film - A movie made for initial distribution in theaters that is over 40 minutes long.

Live sporting event - A scheduled sporting competition, game, or race that is originated solely by an amateur, collegiate, or professional organization, institution, or association for live or tape-delayed television or satellite broadcast. A live sporting event does not include commercial advertising, an episodic television series, a television pilot, a music video, a motion picture, or a documentary production in which sporting events are presented through archived historical footage or similar footage taken at least 30 days before it is used.

Related member - See G.S. 105-130.7A.