

ALLIOTT'S

CREATIVE INDUSTRY
TAX INCENTIVES
MAY 2024



Independent Film Tax Credit

Lower of

Total Core Expenditure*	£5,000,000
-------------------------	------------

80% of Total Core Expenditure	£4,000,000
-------------------------------	------------

and

UK Core Expenditure	£5,000,000
---------------------	------------

UK Core as a % of Total Core	100%
------------------------------	------

Lower of the above	£4,000,000
--------------------	------------

Independent Film Tax Credit @ 53%

Gross Relief	£2,120,000
--------------	------------

UK Corporation Tax amount of 25%	-£530,000
----------------------------------	-----------

Cash Rebate	£1,590,000
-------------	------------

As a Percentage of Lower Amount	40%
---------------------------------	-----

As a Percentage of Total Core Expenditure	31.8%
---	-------

Criteria

Only films are eligible.

Only for film productions under £15m budget.

Must have one of the following: UK writer, UK director or be certified as an official UK co-production.

Qualifying productions must have started principal photography on or after 1 Apr 2024.

*£5,000,000 is an amount used for illustrative purposes only

HETV or Film under AVEC

Lower of

Total Core Expenditure*	£5,000,000
-------------------------	------------

80% of Total Core Expenditure	£4,000,000
-------------------------------	------------

and

UK Core Expenditure	£5,000,000
---------------------	------------

UK Core as a % of Total Core	100%
------------------------------	------

Lower of the above	£4,000,000
--------------------	------------

AVEC for HETV or Film @ 34%

Gross Relief	£1,360,000
--------------	------------

UK Corporation Tax amount of 25%	-£340,000
----------------------------------	-----------

Cash Rebate	£1,020,000
-------------	------------

As a Percentage of Lower Amount	25.5%
---------------------------------	-------

As a Percentage of Total Core Expenditure	20.4%
---	-------

Criteria

No Minimum spend for film projects.

For HETV projects minimum spend £1m per 60 minute episode.

Minimum length per episode 20 Minutes.

Available on Expenditure incurred from 1 January 2024.

*£5,000,000 is an amount used for illustrative purposes only

Animation or Children's TV under AVEC

Lower of

Total Core Expenditure*	£5,000,000
-------------------------	------------

80% of Total Core Expenditure	£4,000,000
-------------------------------	------------

and

UK Core Expenditure	£5,000,000
---------------------	------------

UK Core as a % of Total Core	100%
------------------------------	------

Lower of the above	£4,000,000
--------------------	------------

AVEC for Animation or Children's TV @ 39%

Gross Relief	£1,560,000
--------------	------------

UK Corporation Tax amount of 25%	-£390,000
----------------------------------	-----------

Cash Rebate	£1,170,000
-------------	------------

As a Percentage of Lower Amount	29.25%
---------------------------------	--------

As a Percentage of Total Core Expenditure	23.4%
---	-------

Criteria

Animation: The Core Expenditure on the completed animation constitutes at least 51% of the Total Core Expenditure.

Children's TV: A children's programme is one where it is reasonable to expect that the persons who will make up the programme's primary audience will be under the age of 15.

Available on Expenditure incurred from 1 January 2024.

*£5,000,000 is an amount used for illustrative purposes only

Creative Industry Tax Relief

Lower of

Total Core Expenditure*	£5,000,000
-------------------------	------------

80% of Total Core Expenditure	£4,000,000
-------------------------------	------------

and

UK Core Expenditure	£5,000,000
---------------------	------------

UK Core as a % of Total Core	100%
------------------------------	------

Lower of the above	£4,000,000
--------------------	------------

Creative Industry Tax Relief @ 25%

Cash Rebate	£1,000,000
-------------	------------

As a Percentage of Lower Amount	25%
---------------------------------	-----

As a Percentage of Total Core Expenditure	20%
---	-----

Criteria

Eligible for Film, High End TV (HETV), Children's TV & Animation productions.

For HETV production minimum spend must be at least £1m per 60 Minute episode.

Minimum length per episode 30 Minutes.

Only available on productions that start before 1st April 2027

*£5,000,000 is an amount used for illustrative purposes only

KEY ELIGIBILITY

All incentives require the following:

- Must operate within a UK Limited Company
- At least 10% of Core Expenditure is used or consumed with the UK

Must have either one of the following BFI Certifications:

- Cultural test Interim Certification
- Cultural test Final Certification
- Certification as an official UK co-production

Qualifying Productions distribution intentions

Film Productions must be intended for Theatrical Release.

TV Productions must be intended for Broadcast.

Eligible Expenditure

Only Expenditure that is incurred within the following areas of production is allowable:

- Pre-production
- Principle Photography
- Post-production

All Expenditure incurred in development, distribution or other non-production activities is not allowable under the tax incentives.

All Expenditure included in tax incentive claims must have been paid within 4 months of the accounting period end.

ALLIOTTS' SPECIALIST MEDIA TEAM



David Gibbs

david.gibbs@alliotts.com

+44(0)7989 968966



Ian Gibbon

ian.gibbon@alliotts.com

+44(0)7919 334256



Samuel Ampah

samuel.ampah@alliotts.com

+44(0)7540 384924



Nick Nicolaou

nicholas.nicolaou@alliotts.com

+44(0)7825 040698

ALLIOTTS' MEDIA SERVICES

Preparation of Creative Industry Tax
Incentive Claims

Financial Statement Preparation

Production Audits

Opinion letter to Financiers

Company Formation and Share Issues

Preparation of BFI Cultural Test Applications

Corporation Tax

Production Cash-flow and Forecast

VAT

Withholding Tax

Production Accounting (specific areas)

SEIS & EIS Applications

Production Payrolls

Alliotts LLP

Manfield House, 1 Southampton Street, London
WC2R 0LR (offices also in Guildford)

T. +44(0)207 240 9971

alliotts.com