

State of New Mexico - Taxation and Revenue Department

FILM-RELATED TAX CREDIT CLAIM FORM

WHO MAY USE THIS FORM: After the film production company has received an approval letter of the total qualifying expenditures from the Taxation and Revenue Department, a completed Form **RPD-41228, *Film-Related Tax Credit Claim Form***, must be attached to the New Mexico PIT-1, CIT-1, PTE, S-Corp, or FID-1 return, on which one of the following approved film-related tax credits can be claimed:

- ◆ Film Production Tax Credit
- ◆ New Mexico Film Production Tax Credit
- ◆ New Mexico Film Partner New Film Production Tax Credit

A complete New Mexico tax return must be filed to claim a film-related tax credit. The amount of credit has limitations and may be applied to the income tax liability due on the return. If the credit exceeds the income tax liability, the excess may be refunded. No interest will be paid on any credit amount refunded. A credit claim shall not be divided and submitted with multiple year returns. The credit may be assigned to an authorized third-party, but this does not exempt the film production company from the New Mexico filing requirements.

See the instructions on how to complete the income tax return when claiming the credit. For more details, refer to [FYI-106. *Claiming Business-Related Tax Credits For Individuals and Businesses*](#) and [FYI-370. *Information Regarding Film Production Tax Credits*](#). For assistance completing this form or claiming the credit, call (505) 827-0792 or email BusinessCredit.Mgr@tax.nm.gov.

Name of the film production company (claimant)	Enter the FEIN or the SSN of the claimant	Check one: <input type="checkbox"/> FEIN <input type="checkbox"/> SSN
--	---	--

Schedule A

To claim approved film-related tax credits, complete schedule A below. Use the total amounts in columns (e) and (f) to compute the amount of credit claimed. Attached this Form **RPD-41228, *Film-Related Tax Credit Claim Form***, to your New Mexico tax return. Also attach the applicable tax credit schedule PIT-CR, CIT-CR, S-Corp-CR or FID-CR to your return. An entity that has been assigned the credit by a film production company may also claim a refund of the credit by attaching this claim form directly to the entity's PTE return.

(a) TRD - credit approval #	(b) Date of approval	(c) Amount of credit approved	(d) Amount of credit assigned	(e) Amount applied to the attached return	(f) Amount to be refunded
TOTAL CREDIT: Enter the sum of columns (e) and (f) here and on lines 3 and 4 of the computation table below .					

Computation of the Amount of Tax Credit Claimed

1. Enter the beginning and ending date of the reporting period for which the approved tax credit will be claimed (use format mm/dd/yyyy).
2. Enter the net New Mexico income tax calculated before applying any credit.
3. Enter the sum of total credit from column (e), Schedule A, to be applied to the tax due on your current New Mexico PIT-1, CIT-1, S-Corp, or FID-1 tax return. Also attach a completed Schedule CR for the applicable tax program.
4. Enter the sum of total credit from column (f), Schedule A, to be refunded. Also attach a completed Schedule CR for the applicable tax program.

From _____ to _____

2.	\$
3.	\$
4.	\$

NOTE: Failure to attach this form to the applicable New Mexico income tax return with the Schedule A completed will result in denial of the credit.

State of New Mexico - Taxation and Revenue Department
FILM-RELATED TAX CREDIT CLAIM FORM
Instructions

Claiming an Approved Film-Related Tax Credit

After the film production company is determined eligible by the Film Office and has been approved by the Taxation and Revenue Department (TRD), film-related tax credits (*film production tax credit, new film production tax credit, and New Mexico film partner new film production tax credit*) may be claimed by attaching this form, Form **RPD-41228, Film-Related Tax Credit Claim Form**, with Schedule A completed, to the film production company's complete New Mexico income tax return (Form PIT-1, CIT-1, S-Corp, or FID-1) that has been timely filed after the close of the taxable year.

All direct production expenditures and postproduction expenditures incurred during the taxable year by a film production company shall be submitted as part of the same income tax return and paid. Claim the credit in full on the return for the year expenses were incurred. **Do not** divide and submit the credit claim with multiple returns or in multiple years.

Subject to certain limitations, the amount of the tax credit authorized for payment may be applied to the tax due on the return. Or, if the amount of the film-related tax credit exceeds the film production company's income tax liability for the tax year, the excess may be refunded. No interest will be paid on any credit amount refunded pursuant to the Film Production Tax Credit Act (Section 7-1-68 NMSA 1978).

For purposes of determining the payment of credit claims that are required to be paid out over multiple years, the TRD Secretary may require that credit claims of affiliated persons be combined into one claim, if necessary, to accurately reflect closely integrated activities of affiliated persons.

Limitations on Receiving the Credit Claimed on a Return

The total aggregate sum of film-related tax credits that may be paid out prior to fiscal year 2024 is limited to \$110,000,000, increasing by \$10,000,000 in each fiscal year starting in 2024 and continuing through 2028. If this threshold has been met for that fiscal year, the claim shall be placed in queue to be paid the following fiscal year in the order the return was filed. The aggregate amount of credits claimed for that fiscal year appear on TRD's website at <https://www.tax.newmexico.gov/tax-professionals/tax-credits-overview-forms/film-production-tax-credit/>

The date a credit claim is received by TRD determines the order that a credit claim is authorized for payment.

Completing the Income Tax Return

Electronic filing and direct deposit is recommended for speedy efficient processing. Submit your complete return with all required documents through the Taxpayer Access Point (TAP), <https://tap.state.nm.us> or submit an electronic return using tax software that has been approved by TRD.

Complete the income tax return, CIT-1, PIT-1, S-Corp, FID-1, or PTE based on the federal return that you are required to file.

If you are required to file:	File New Mexico form:
Federal Form 1040	PIT-1 return
Federal Form 1041	FID-1 return
Federal Form 1065	PTE return
Federal Form 1120	CIT-1 return
Federal Form 1120S	S-Corp return

You also need to complete the tax credit schedule, CIT-CR, PIT-CR, S-Corp-CR or FID-CR. Enter the total film-related tax credit approved and the amount of the credit that you want applied to the tax liability due and refunded on the Schedule CR for business related tax credits. TRD will compare the amounts entered and determine how and when the credit will be paid.

CAUTION: If the amount you request to be applied to the tax liability due on the return is not eligible to be paid immediately, you will be billed for the tax liability not paid, and you may be subject to interest on the unpaid tax due.

The following documents are to be included with the completed income tax return when filing a claim for a film-related tax credit

- ◆ Copy of the approval letter issued by TRD
- ◆ **RPD-41228**, Film-Related Tax Credit Claim Form (including Schedule A)
- ◆ **RPD-41380**, Notice of Assignment of Film Production Tax Credit (if applicable)
- ◆ **RPD-41336**, Notice of Distribution of Film Production Tax Credit (if applicable)

For all tax programs, you must attach Form **RPD-41228, Film-Related Tax Credit Claim Form**, including Schedule A, to your return. Failure to attach this form will result in denial of your claim for the credit.

The corporate income tax return is under an e-file mandate. Details about the electronic filing mandate, including how to request an exception or waiver, may be found in the publication [FYI-108, Electronic Filing Mandate](#).

State of New Mexico - Taxation and Revenue Department
FILM-RELATED TAX CREDIT CLAIM FORM
Instructions

Assignment of Film Production Tax Credits

After the film production company has received approval for the total qualifying expenditures from TRD, a completed Form [RPD-41380, Notice of Assignment of Film Production Tax Credit](#), allows TRD to honor an assignment of the film production tax credit to an authorized third-party or a third-party financial institution. Form **RPD-41380** must be attached to the film production company's income tax return on which the credit is claimed.

For purposes of the Film Production Tax Credit Act,

- (1) an *authorized third-party* means an entity that:
- (a) holds the rights to a film for which a film production tax credit may be claimed; and
 - (b) initiates that film's production, and
- (2) a *financial institution* means:
- (a) a fund purposely created to produce a film; or
 - (b) a bank, savings institution or credit union that is organized or chartered pursuant to the laws of New Mexico or the United States and that files a New Mexico income tax return.

The financial institution or authorized third-party must be verified in advance by TRD.

An approved film production tax credit can be assigned one time in a full or partial amount, and may not be further transferred or assigned. Both parties of the assignment must comply with the procedures established by TRD. After verification, TRD shall remit the amount of tax credit to the authorized third-party that would otherwise be remitted to the film production company.

Requesting a Refund of the Credit on a PTE Return

Film-related tax credits may only be refunded on a PTE return when a film production company has assigned the payment of the tax credit to a third-party financial institution, or to an authorized third party, as explained above using [Form RPD-41380, Notice of Assignment of Film Production](#). The third-party financial institution or authorized third-party then may file the PTE return requesting the refund of the credit on the return.

A film production company that is a PTE and has received approval of a film production tax credit, however, may distribute the amount of the credit to its owners who will then claim their portion of the credit on their own returns. The PTE submits [RPD-41366, Notice of distribution of Film Production Tax Credit](#), to report the distribution of the approved film production tax credit from a PTE to an owner, member or partner.

SCHEDULE A INSTRUCTIONS

For each approved film-related tax credit (*film production tax credit, new film production tax credit, or New Mexico film partner new film production tax credit*), complete a row in Schedule A. Do not include credits which have been claimed in full.

Column Instructions

- (a) TRD - credit approval #.** Enter the credit number assigned by TRD from the approval documentation.
- (b) Date of approval.** Enter the date of TRD's approval for the credit from the approval notice.
- (c) Amount of credit approved.** For each credit, enter the amount of credit approved.
- (d) Amount of credit assigned.** For each film production tax credit, enter the amount of credit assigned to a third-party financial institution or to an authorized third-party, and attach a Form RPD-41380, *Notice of Assignment of Film Production Tax Credit*, for each assignment of all or a portion of the credit.

NOTE: [RPD-41366, Notice of Distribution of Film Production Tax Credit](#), indicating credit transfer from a pass-through entity to an owner, member, or partner, must be submitted along with applications **RPD-41229** or **RPD-41381**.

- (e) Amount applied to the attached return.** For each credit, enter the total amount of credit claimed and applied to the liability due on the attached return.
- (f) Amount to be refunded.** For each credit, enter in column the amount of excess credit that is to be refunded to the taxpayer. To determine this amount, subtract the sum of columns (d) and (e) from column (c).
- NOTE:** Failure to attach Form **RPD-41228** with a completed Schedule A to your New Mexico tax return will result in denial of the credit.

Computation of the Amount of Tax Credit Claimed

1. Enter the beginning and ending date of the reporting period for which the approved tax credit will be claimed. Use the format mm/dd/yyyy.
2. Enter the net New Mexico income tax calculated on the return before applying any of the credits listed on the Schedule A.
3. Enter the sum of all credits from **column (e)**, Schedule A, to be applied to the tax due on the New Mexico PIT-1, CIT-1, S-Corp, or FID-1 tax return.
4. Enter the sum of all credits from **column (f)**, Schedule A, to be refunded. Also attach a completed Schedule CR for the applicable tax program.