Film Production Tax Credit Program
Audit Guide

The State of Minnesota offers a 25% tax credit to attract and expand film production in the state. A film production company (applicant) may receive an assignable Tax Credit Certificate for up to 25 percent of eligible production costs for a project that expends at least $1,000,000.00 in such costs in a single tax year.

For a project to become eligible, an applicant applies to the Minnesota Department of Employment and Economic Development (DEED), at least 30 but no more than 90 days prior to beginning principal photography, to obtain a Credit Allocation Certificate. Upon completion of the project, the applicant commissions an audit performed by an independent certified public accountant (CPA) licensed in the state of Minnesota; the CPA will verify the amount of eligible production costs related to the project. The applicant then provides the audit to DEED, and DEED will determine the final credit amount within 60 days and issue a Tax Credit Certificate. The recipient of a Tax Credit Certificate may use it or may assign the credit to another tax payer.

The audit must be performed in accordance with the attestation standards established by the American Institute of Certified Public Accounts (AT-C Section 205, Examination Engagements). The Minnesota Department of Employment and Economic Development must be listed as a specified party in the engagement letter and specifically granted access to any work performed by the auditor. Audits that are not complete within 30 days of engagement should notify the program administrator of the delay.

The Examination Engagement subject matter and criteria are as follows:

1. Subject Matter:
   a. A statement of eligible production costs directly related to this project; and
   b. Final Production and Economic Impact Report

2. Criteria:
   a. Minnesota Statute 116U.27; and
   b. Minnesota Statutes 116U.26 (b)(1), and 116U.26 (b)(2); and
   c. Qualification and Eligibility criteria published on the Minnesota Department of Employment and Economic Development Film Production Tax Credit Program website; and
   d. Frequently asked questions (FAQ’s) published on the Minnesota Department of Employment and Economic Development Film Production Tax Credit Program website; and
   e. Minnesota Wage Theft Prevention Act

The applicant is responsible for all costs associated with the audit. The applicant will submit the Audit Report and Final Production and Economic Report using the program’s online filing system within 30 days of the audit report completion date. Questions regarding program or audit requirements should be directed to Stephen.wolff@state.mn.us or 651-259-7415.