

**502  
FILM**

**Louisville, Kentucky**

**Film & Television**

**Tax Incentive Program**



**LOUISVILLE**  
EST. 1778

## From the historic Kentucky Derby to the storied Bourbon Trail

Louisville knows how to roll out the red carpet for one-of-a-kind experiences – and that includes your production. Our city offers a wealth of locations, crews, vendors and resources to ensure your film, television, Broadway production or industrial project is a success.

This brochure contains information about eligibility and qualifications for the Kentucky Entertainment Incentive Program (KEI Program). It also includes information about resources and features Louisville has to offer as you consider our city for your next production.



**For more information on filming in Louisville and the surrounding area, please contact:**

### **Soozie Eastman**

Chair, Louisville Film Commission

President, 502 Film

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502.805.7850

**95% of the world's  
bourbon is made in  
Kentucky**





## Why should you bring your production to Louisville?

Along with lucrative production incentives offered by the Commonwealth of Kentucky, **Louisville is home to a variety of production resources including experienced crew, gear rentals, soundstages, plus easy - and inexpensive - permitting.** As the largest city in Kentucky, our airport offers daily nonstop service to and from more than 35 cities, including New York and Los Angeles, and our award-winning food and accommodations are all positioned within a 30-mile radius of a variety of diverse locations.



## Kentucky Entertainment Tax Incentive Summary

Kentucky offers aggressive tax incentives for film production, making it one of the most affordable film production locations in the United States. Below are some highlights of what we offer in Kentucky:

- Refundable, non-transferable income tax credit of 30% of approved expenditures, 35% of Kentucky resident labor and 30% of non-resident labor, or;
  - 35% incentive for approved expenditures and all labor for filming in an enhanced incentive county.
- Film production incentives are available to companies that spend at least \$250,000 to produce feature films or television shows in Kentucky. For a Kentucky-based company, the threshold is \$125,000.
- Documentaries and Broadway productions are eligible with an expenditure minimum of \$20,000. For a Kentucky-based company, the threshold for a documentary is \$10,000.
- There is a \$75,000,000 cap per year on approved incentives.
- The Kentucky Economic Development Finance Authority meets once a month to approve incentive requests. The meetings are held on the last Thursday of every month except November and December.

**Depending on the total amount of qualifying expenditures, the Kentucky Film incentive application fees are:**

< \$50,000 - \$250

> \$50,000 and < \$100,000 - \$500

> \$100,000 - \$1,000

- + Additionally, the company will be required to pay an administrative fee equal to one-half of one percent (0.5%) of the estimated amount of tax incentive sought or five hundred dollars (\$500), whichever is greater.

To view the full program guidelines, [click here](#).



**For more information on the Kentucky Entertainment Incentive, contact the KEI Program:**

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502-564-7670

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300 West Broadway  
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## Highlights of the KEI Program

**The KEI Program offers a tax credit of 30% to approved projects on qualified expenditures in Kentucky. Projects can receive an additional 5% increased tax credit** when qualifying payroll expenditures are paid to below-the-line and above-the-line production crew who are Kentucky residents – not to exceed \$1,000,000 in payroll expenditures per person – or when qualifying expenditures are in Enhanced Incentive Counties. The maximum credit any project can receive is 35%.



**Qualifying expenditures made in Kentucky that are directly used in or for a motion picture or entertainment production include but are not limited to:**

- The production script and synopsis
- Set construction and operations, wardrobe, accessories and related services
- Lease or rental of real property in Kentucky as a set location
- Photography, sound synchronization, lighting and related services
- Editing and related services
- Rental of facilities and equipment
- Vehicle leases
- Food & Accommodations

**90% of the disco balls in the U.S. are produced in Louisville**



## Qualifying for the Entertainment Incentive

To qualify for tax incentives, the Approved Company shall incur the following minimum combined total of Qualifying Expenditures and Qualifying Payroll Expenditures in Kentucky based on the type of Motion Picture or Entertainment Production:

	Kentucky-Based Company	Out of State Company
Feature-length Film, Television Program, or Industrial Film, filmed in whole or in part, in the Commonwealth	\$125,000	\$250,000
Documentary, filmed or produced in whole or in part, in the Commonwealth	\$10,000	\$20,000
A national touring production of a Broadway show, produced in whole or in part, in the Commonwealth	\$20,000	\$20,000

**Production Start Date** - Filming or production must begin within six (6) months of filing a final application with the Kentucky Economic Development Finance Authority ("KEDFA").

**Production Completion Date** - Filming or production must be completed within two (2) years of the Production Start Date.





## Claiming the Entertainment Incentive

Tax incentives awarded through the KEI Program are refundable and non transferable and may be claimed against the Approved Company's Kentucky corporate, limited liability or individual income tax. The credit may be claimed for the taxable year in which the credit is certified. The credit is certified after the detailed cost report is submitted and reviewed by Cabinet and Department of Revenue staff, and the Cabinet notifies the Approved Company of the amount of the certified tax credit available.

Unused credits may not be carried forward. Incentive amounts are determined based on the Kentucky county where the Qualifying Expenditures and Qualifying Payroll Expenditures occur. Projects incurring eligible costs in enhanced incentive counties (as of the date of KEDFA approval of the project) may be eligible for an increased tax credit.

## Entertainment Incentive Cap

KEDFA may award an overall total maximum incentive of \$75,000,000 per calendar year for the KEI Program.

Qualified applications will be processed in the order in which they are received until all available incentives have been awarded.

The maximum incentive approved for a project in a calendar year will be \$10,000,000, and only four applications/projects may be approved for the maximum incentive per calendar year.



# Kentucky Entertainment Incentive Application Process

## Pre-Application 45 days prior to KEDFA meeting

Cabinet staff are contacted to discuss project eligibility, proposed structure and any other terms of the project. If the project is eligible, Cabinet staff will share an application with the project for completion and submission.

## Application Submission 30 days prior to KEDFA meeting

Applicant completes and submits application with required attachments to Cabinet staff, including, but not limited to:

- the script (or a detailed synopsis of the script)
- the locations where filming or production will occur
- the anticipated date on which filming or production will begin
- the anticipated date on which production will be completed
- the total anticipated Qualifying Expenditures
- the total anticipated Qualifying Payroll Expenditures for resident and nonresident Above-the-line Crew by county
- the total anticipated Qualifying Payroll Expenditures for resident and nonresident Below-the-line Crew by county
- the address of a Kentucky location at which records of the production will be kept
- an affirmation that if not for the incentive offered under the KEI Program, the company would not film or produce the Motion Picture of Entertainment Production in the Commonwealth
- proof of funding for the project
- application fee



**Louisville is home to  
the biggest baseball  
bat in the world**





**Pre-KEDFA Meeting**

Cabinet staff review application and supporting documentation for eligibility, completeness and accuracy.

Upon completion of staff's review and subject to incentive availability, a draft KEDFA Board Report indicating project description, recommended incentive amount, terms, conditions – and any other requirements – will be prepared and sent to the company for review and acceptance.

Once the draft KEDFA Board Report is accepted, the Cabinet's legal counsel will be engaged to draft the tax incentive agreement. The applicant will be responsible for legal fees, including expenses of counsel to KEDFA, necessary for the preparation of the tax incentive agreement. The tax incentive agreement will be provided to the applicant for review. Upon receipt of the executed tax incentive agreement from the applicant and the administrative fee, the project will be included on the agenda of the next monthly KEDFA meeting.

**KEDFA Meeting Date**

**Last Thursday of month, except November and December**

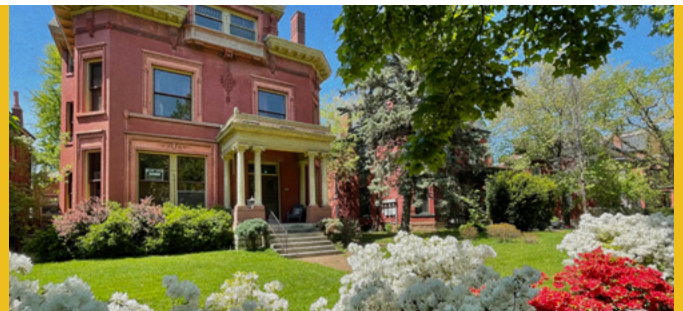
The proposed project is presented to KEDFA for approval at its monthly meeting. KEDFA approval obligates the Commonwealth to the incentive as long as the Approved Company performs and complies with the provisions of the tax incentive agreement. A fully executed agreement is provided to the company after KEDFA approval occurs.

The Approved Company may begin its investment after KEDFA approval occurs.

Filming or production must begin within 6 months of filing the final application/KEDFA approval date and must be completed within 2 years of the Production Start Date.

KEDFA is a public meeting. Company name, project description, proposed Qualifying Expenditures and Qualifying Payroll Expenditures will be disclosed at the meeting. All other information is confidential and not subject to open records.

**Old Louisville has the largest collection of restored Victorian homes in the U.S.**





## Completing the Project and Claiming the Entertainment Incentive

### Production Completion Date within 2 years of Production Start Date

The Approved Company will be required to certify the Production Start Date and Production Completion Date with the Cabinet.

### One-time submission within 180 days of Production Completion Date

Within 180 days of the Production Completion Date, the Approved Company shall submit a certified and detailed cost report of the Qualifying Expenditures, Qualifying Payroll Expenditures, and final shooting script to the Cabinet.

Upon confirmation that all requirements of the tax incentive agreement have been met, Cabinet staff will forward the detailed cost report to the Department of Revenue for calculation of the refundable tax credit.

The Department of Revenue will notify Cabinet staff of the total amount of refundable tax credit available to the Approved Company. Cabinet staff will send a notice to the Approved Company of the amount of the certified tax credit available.

**Louisville is home to the oldest Mississippi-style steamboat in existence**







## Application Fee

A non-refundable application fee is payable upon submission of the KEI Program application equal to the following:

Total Amount of Qualifying Expenditures and Qualifying Payroll Expenditures	< \$50,000	> \$50,000 and < \$100,000	> \$100,000
Application Fee	\$250	\$500	\$1,000

## Administration Fee

Prior to approval, the company will be required to pay an administrative fee equal to one-half of one percent (0.5%) of the estimated amount of tax incentive sought or five hundred dollars (\$500), whichever is greater. In addition, the company will pay all legal fees, including expenses of counsel to KEDFA, necessary for the preparation of the tax incentive agreement.

As with many state administered tax incentive programs, any inducements offered under the KEI Program are negotiated by Cabinet for Economic Development officials and subject to approval by the Kentucky Economic Development Finance Authority.

**"Top 10 food cities"  
-National Geographic**





## Calculating Your Savings

Determine your project's film tax credit based on qualified expenditures in the Commonwealth of Kentucky.

To calculate your credit, multiply your qualified expenditures by .30. For example, for a base expenditure in Kentucky of \$10,000,000, your savings would be \$3,000,000.

**If a portion of your expenditures are in enhanced incentive counties - or utilize Kentucky-resident Payroll Expenditures - you can increase that portion of your savings by 5%.** So, if \$2,000,000 of your \$10,000,000 base expenditures took place in enhanced counties or with resident labor, that's an additional \$100,000 in Kentucky tax credit. That is a total of \$3,100,000 in Kentucky film tax credit.

**You may use this credit against your Kentucky income tax liability, payroll withholding, or you will be refunded \$3,100,000.**

**Louisville has the largest annual fireworks display in North America**





**Start planning your production  
in Louisville today**

**502  
FILM**

502 Film connects visiting productions with local resources including crew, accommodations and established vendors across Louisville and the surrounding region.

**502film.org**

**LOUISVILLE  
FILM  
COMMISSION**

The Louisville Film Commission assists productions with permits, street closures, and matters that include public property, utilities and emergency services.

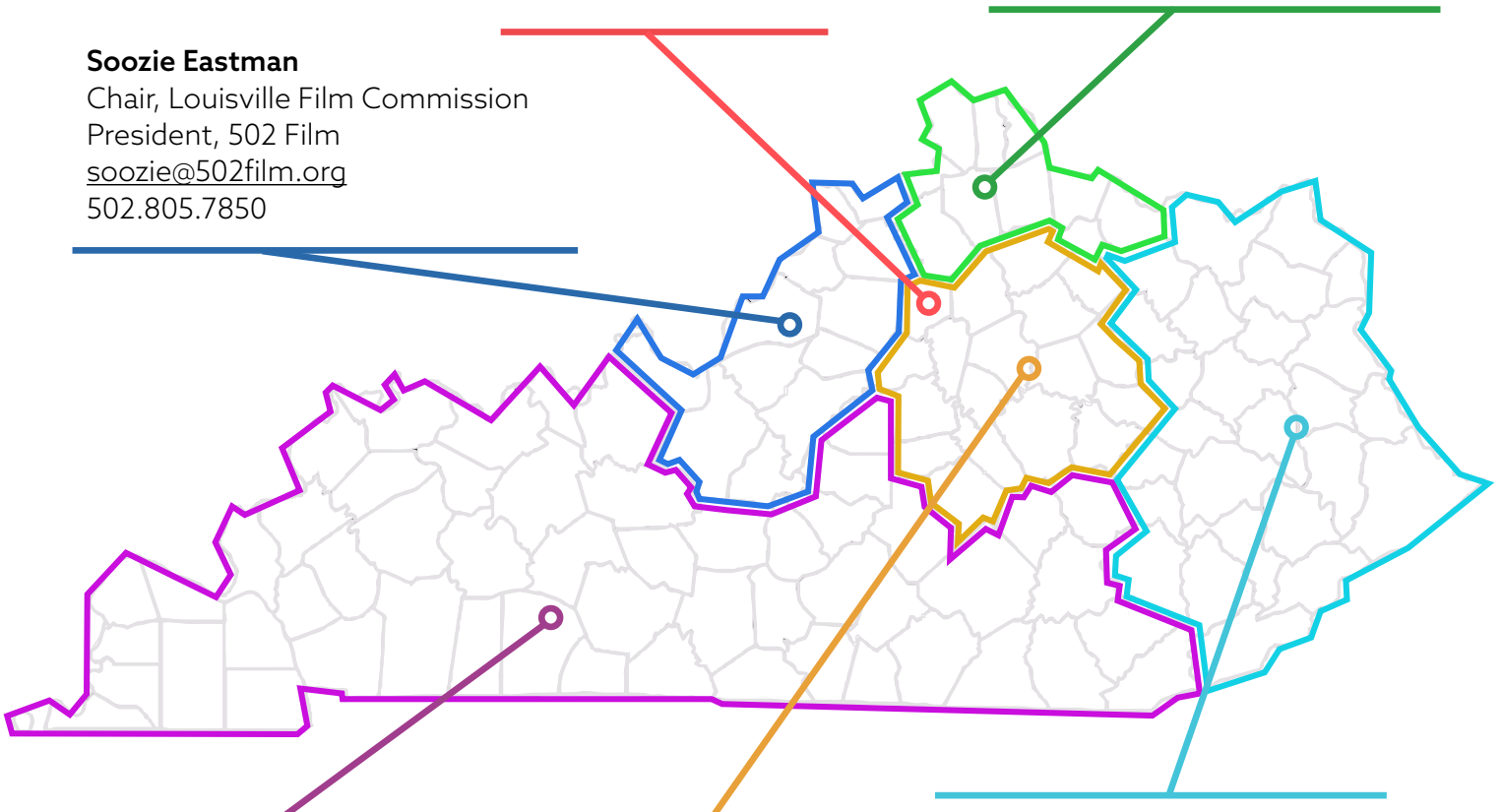
**filmlou.com**

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