Film & TV Tax Credit Changes (July 2025 vs. December 2025)

Region	July 2025	December 2025
California	Program 4.0 introduces a refundable 35% base credit with a 5% uplift for filming outside Los Angeles County and a 2% diversity bonus; eligibility expanded to animation, multi-camera sitcoms and unscripted competition shows.	Clarified stackable uplifts: +5% VFX bonus and +10% out-of-LA local-hire bonus; relocating TV series can receive 40% in the first season, with a $750M annual cap through 2030 and no stand-alone post/VFX track.
New Jersey	35–40% production credit, with 40% available to studio partners; 2% diversity bonus removed in favour of a new 4% "Promoting NJ" uplift; stand-alone digital media/post-production credit increased to as much as 40% even without NJ filming.	Program extended into the late 2040s; studio-partner projects now receive a 40% base and can reach ~45% when the Promoting NJ uplift is stacked; stand-alone post/VFX projects continue to qualify for 30–40% without principal photography in the state.
New York	30% refundable base credit with a 5–10% upstate labour bonus; program funding raised to $800M annually, with an independent film fund and removal of the above-the-line cap plus a simplified payout structure.	Adds a 5–10% "Production Plus" bonus for long-running series on top of the 30% base and 5–10% upstate bonus, allowing effective rates up to ~50%; funding for the main program is now roughly $700–800M per year with a dedicated $15M indie film fund, but no separate stand-alone VFX credit.

British Columbia	Film Incentive BC (FIBC) increased to 40% on eligible provincial labour; Production Services Tax Credit (PSTC) raised from 28% to 36% with a new 2% bonus for large-budget projects; 16% DAVE credit continues to support stand-alone post/VFX.	Province highlights that service and domestic credits can stack with regional and distant-location uplifts plus a new 2% “major production” bonus; when combined with the 16% DAVE credit, VFX-heavy projects can achieve roughly 50%+ in provincial rebates before federal incentives, and stand-alone post/VFX work remains fully eligible.
United Kingdom	Legacy film/TV reliefs replaced by the Audio-Visual Expenditure Credit (AVEC): 34% credit (about 25.5% net) for film and high-end TV, and 39% (about 29.25% net) for VFX-heavy and animation work, with the previous 80% cost cap removed.	AVEC is now fully embedded, delivering gross rates of 34% and 39% (25.5% and 29.25% net after tax) on UK qualifying spend. The exemption from the 80% cap applies only to VFX expenditure and only on large productions with total budgets above £23.5 million, enabling true stand-alone VFX work in the UK. The Independent Film Tax Credit provides a 53% headline rate (39.75% net) for qualifying low-budget British films, while Parliament has proposed—but not yet enacted—a separate 25% credit for marketing (P&A) costs.

Tax Credit Ranking by Maximum %

Region	Max Effective Credit Rate	Above the Line Eligible?	Stand-Alone Post Credit?	Stand-Alone VFX Credit?
British Columbia	~52% (provincial, with bonuses)	No (labor-only credit)	Yes (16% DAVE credit)	Yes (VFX credit can be claimed on post-only work)
New York	50% (with upstate & TV uplifts)	Yes (covers all spend)[	Yes (separate post program, $45 M fund)	Yes (post/VFX eligible via post credit)
Western Australia	50% (Federal 30% + WA 20% PDV)	No (PDV-only)	Yes (PDV rebate)	Yes (PDV covers VFX)
New Jersey	45% (studio project w/ uplifts)	Yes (all spend, different rates)[	Yes (30–35% digital media/post credit)[	Yes (post/VFX projects up to 40% credit)
Quebec	~41% (25% + 16% VFX)	Yes (all spend)	Yes (via 16% VFX credit)	Yes (VFX-only work eligible for 16%)
France	40% (TRIP for VFX/animati on)	Yes (all local spend)	Yes (if post done in France qualifies under TRIP)	Yes (40% for VFX-only projects ≥€2 M spend)
Ireland	40% (Scéal uplift for Irish films)	Yes (all spend, with cap)	No (must film or co-produce in IE)	No (no standalone foreign VFX credit)
New Mexico	40% (with TV, rural uplifts)	Yes (all spend)	No (production required in NM)	No (no separate post program)
United Kingdom	39.75% net (Enhanced AVEC for qualifying low-budget films); 29.25% net for VFX/animation under AVEC	Yes (UK qualifying core expenditure, subject to AVEC rules and caps)	No (post-production is eligible, but generally subject to the 80% cap unless qualifying as VFX on large productions)	Yes (VFX-only projects qualify at 29.25% net, with the 80% cap lifted only for productions with total budgets above £23.5m)

Hungary	~37.5% (30% + spillover)	Yes (all spend in-country)	No (must register as production)	No (no separate post program)
California	35% base (up to 40% for relocations)	Yes (qualified spend incl. some ATL)	No (no standalone post credit)	No (VFX only eligible as part of prod.)
Texas	31% (top tier cash rebate)	Yes (all spend in-state)	No (no separate, but post spend can qualify if in TX)	No (no separate program)
Georgia	30% (20% + 10% logo bonus)	Yes (all spend, but $500k cap per wage)	No (must film in GA)	No (no standalone post/VFX)

Region-by-region updates

U.S.

California

35% base refundable tax credit on qualified in-state production spend (first-ever refundability in CA). An uplift to 40% applies for the first season of relocating TV series. Additional incentives include +5% for production outside Los Angeles County, +5% for spending on qualified VFX, +10% for employing locals outside the LA zone, and a 2% diversity bonus. These can be combined, making California's effective credit very robust for projects that meet multiple criteria. (No stand-alone post/VFX incentive – only productions physically filming in CA qualify for credits.)

Georgia

20% base transferable credit on all Georgia production expenditures, plus a 10% bonus for including the state's promotional logo in the finished content (for a total 30% max). This flagship incentive (uncapped) continues unchanged – 2025 legislation made only minor tweaks (e.g. expanding qualifying content to include streaming shows) without altering the core 20%+10% structure. Georgia's credit applies to in-state spend including resident labor 2 (no separate post-only credit – a project must shoot in Georgia to earn the rebate).

New York

30% refundable credit on all qualified production spend (no category exclusions). Productions filming upstate can get an extra +5–10% credit on local labor, and a new 5–10% “Production Plus” bonus rewards long-running TV series. With these additions, a TV project that shoots in upstate NY for multiple seasons could see up to 50% of its spend rebated. New York also opened a $15 M/year indie film fund in July 2025 to assist smaller projects. (While NY has a separate $45 M post-production program, generally no stand-alone post credit is available beyond that – projects usually need to film or originate in NY to access the main credit.)

New Jersey

30–35% base credit on qualified expenses (35% for NJ labor, 30% for out-of-state labor or goods). 40% base for approved “studio partner” productions. NJ provides +4% uplift for spending that promotes New Jersey (e.g. showing state landmarks), and has removed a prior 2% diversity bonus (folding diversity efforts into other hiring incentives). The program was extended through 2049 with a July 2025 law. Notably, NJ now allows stand-alone post-production or VFX projects to qualify for 30–40% credits without any NJ filming. (Annual cap ~$100 M, with unused credits rolling over.)

New Mexico

25% refundable base credit on all in-state production spend, with stackable uplifts: +5% for TV series, +5% for using a New Mexico soundstage, and +10% for filming in rural areas (60+ miles from Albuquerque/Santa Fe). A high-spending producer can also earn a new +5% “Production Plus” bonus by filming multiple projects totaling ≥$100 M in NM. These incentives combined allow rebates up to 40% for certain productions. The annual payout cap is rising to $130 M in FY2025 (on a path to $160 M by 2029) to meet demand. (NM requires some production in-state; no separate post-only credit is offered.)

Pennsylvania

25% transferable credit on qualified Pennsylvania production spend (requires ≥60% of total production spend in-state). An additional +5% uplift (bringing the credit to 30%) is granted for productions that either use a Pennsylvania production facility or film at least 15 days in-state. The program remains capped at $100 M/year. Efforts were made in 2025 to raise the cap to $125 M, and even to increase the base credit to 30% for smaller productions, but no changes were signed into law as of Dec 2025. (PA’s credit continues to require in-state production activity – no stand-alone post incentive.)

Texas

Texas transitioned in 2025 from a modest grant program into a much larger incentive scheme. The state now offers tiered cash rebates up to 31% of in-state production spend. This is funded by a new appropriation of $300 M for 2024–2025 (covering two fiscal years) – effectively $150 M per year available for film, TV, commercials, video games and more.

Unlike tax credit states, Texas operates as a grant (rebate) and also provides an 8.25% sales tax exemption on production purchases, yielding additional savings. The updated Texas Moving Image Industry Incentive Program (under SB 22) broadened eligibility to new media like AR/VR and added bonuses (e.g. extra rebate for projects that use Texas college facilities or historic locations). Beginning Sept 1, 2025, the top rebate percentage increased to 31% (from ~22%), instantly putting Texas in the top echelon of state incentives. On top of state funds, local incentives have emerged: Houston launched a city rebate of 10% on local spend (up to $100k per project) in Oct 2025, and Austin expanded its local film incentive to 2.5% of spend. These stackable city boosts aim to draw productions to those locales. With abundant funding and total rebates potentially well over 30%, Texas is aggressively positioning itself as a production hub in the US South. (Texas has no separate post-only program; however, post/VFX costs can qualify for rebates as part of a production's Texas spend if the work is done in-state.)

United Kingdom

The UK implemented sweeping changes to its screen production incentives in April 2025, aiming to boost competitiveness. The long-running Film, High-End TV, and Animation Tax Reliefs (25% rate, with an 80% spend cap) have been phased out and replaced by a unified Audio-Visual Expenditure Credit (AVEC) system.

Under AVEC, qualifying films and high-end TV projects can claim a gross credit of 34% on UK qualifying spend, which is taxed at a notional 25% at source, resulting in a net benefit of 25.5%. Projects with substantial VFX, animation, or children's TV content qualify for an enhanced gross rate of 39%, equivalent to 29.25% net after tax. Low-budget films qualifying for the Enhanced AVEC are also subject to the same notional tax charge, meaning the 53% gross rate delivers a net benefit of 39.75%.
Industry practice is to quote these net rates, as they provide a more accurate comparison with other international incentive regimes.

The exemption from the historic 80% qualifying expenditure cap applies only to VFX expenditure and only for large productions with total budgets exceeding £23.5 million. For these productions, UK VFX costs can qualify for AVEC without being limited by the 80% cap, enabling true stand-alone VFX work in the UK to fully qualify (for example, a Hollywood film undertaking VFX in London without principal photography in the UK).

For productions with total budgets below £23.5 million, the 80% cap continues to apply. However, post-production and VFX expenditure on these lower-budget productions can still benefit from the Enhanced AVEC at a net rate of 39.75%, provided the 80% cap does not bind.

All projects must still pass a British cultural test or qualify as an official co-production to access AVEC, as under the previous system. The first AVEC claims will be filed in 2025–26, and ongoing industry feedback has been positive. On a net basis, the effective subsidy



(25.5% standard; 29.25% enhanced; 39.75% for low-budget enhanced projects) remains among the most competitive globally, particularly for VFX-intensive work.

While the new AVEC credits are considered a boon for production and VFX, there is rising concern about the costs of distribution and marketing for independent UK films. On October 30, 2025, Parliament's Culture, Media and Sport Committee urged the Chancellor to introduce a 25% tax credit for prints and advertising (P&A) costs for films using the independent film credit. The committee noted that the Independent Film Tax Credit (IFTC) – part of the new AVEC system aimed at indigenous UK films – has boosted production, but without similar support, many British films struggle to reach audiences. As of December 2025 this P&A credit is only a proposal, but it reflects a policy conversation about extending incentives to cover marketing spend in order to complete the "value chain" for UK indie films. No legislative changes on this front have been made yet, but the issue may be revisited in upcoming budgets.

Canada

British Columbia

Offers a 36% base refundable tax credit on qualified labor for foreign (service) productions, and 40% on labor for Canadian content productions. These new rates took effect Jan 1, 2025 (previously 28% and 35% respectively). BC also provides a +6% regional bonus (for shooting outside Metro Vancouver) which stacks with an additional +6% distant location bonus for very remote areas. Its separate Digital Animation, Visual Effects & Post credit (DAVE, 16% on qualifying VFX/animation labor) remains unchanged and stackable. A new 2% "major production" bonus was added for projects spending over $200 M in BC. Taken together, a VFX-heavy film that shoots in rural BC can now achieve roughly 52% in combined provincial rebates (36% base + 12% regional + 4% major + 16% DAVE). These generous incentives (plus Canada's federal 16% labor rebate) keep BC among the most attractive 4 locales for big-budget VFX productions. Notably, stand-alone post/VFX projects are eligible: BC's 16% DAVE credit can be claimed even if the production did no principal photography in the province.

Ontario

Provides a 21.5% Production Services Tax Credit (OPSTC) on all qualified Ontario expenditures – this is an "all-spend" credit (covering labor and goods/services in Ontario) with no per-project cap. Domestic Ontario productions can use a separate 35% labor-based credit (Ontario Film & TV Tax Credit), with an extra 5% (to 40%) for first-time producers. Ontario's 18% Animation & VFX credit (OCASE) applies to Ontario labor on VFX or digital animation. Importantly, as of 2024 this OCASE credit was "untethered" – VFX/animation vendors can claim the 18% even if the project isn't also receiving an Ontario production credit. This means stand-alone post/VFX work can now be incentivized in Ontario (a foreign

production can send effects work to Toronto and the vendor can get 18% back). Ontario did not change its rates in late 2025, but it confirmed OPSTC's all-spend nature (distinguishing it from labor-only schemes) and expanded eligibility to new forms of content (e.g. digital-only productions now qualify).

Quebec

Offers a 25% base refundable credit on all production expenditures in Quebec (no project cap). In addition, a 16% bonus applies to labor expenditures on VFX or green-screen work done in Quebec. This combination (the Production Services Tax Credit + the PQAEC VFX credit) yields about 41% back on VFX-heavy projects (25% of the total spend, plus 16% of VFX labor). Uniquely, Québec's base credit is all-spend (not just labor), making it particularly powerful for big shows with large purchases or cast spends in-province. The 16% VFX credit can be accessed standalone, meaning a project can bring post or animation to Montreal even if no live shooting happens there, and still get the 16% rebate. Québec raised the base rate from 20% to 25% in 2023 (effective for expenditures after March 2023), and increased its funding to accommodate the higher demand. No further changes were made post-July 2025, as this boost kept Québec highly competitive for 2025. (For domestic Québec content, separate incentives offer 32–40% on labor, not detailed here.)

Other Provinces

Outside the big three, other Canadian provinces maintained their existing incentive levels through late 2025. For example, Manitoba continues with a generous 38% labor credit (with an additional 10% rural shoot bonus) and no annual cap, and Nova Scotia offers 25–30% all-spend rebates, among others. No significant legislative changes in those programs were reported since July 2025. Canada's federal tax credit (16% of Canadian labor for foreign productions, or 25% for domestic productions) remains unchanged, and it supplements all provincial incentives.

Europe (Excluding UK)

Ireland

Ireland's Section 481 program continues to provide a 32% refundable tax credit on eligible Irish production spending (both local labor and goods/services, up to a payment of €70 M per project). In Budget 2024, Ireland extended this 32% film/TV credit through December 2028 to ensure stability. 8 Starting May 2025, two new enhancements target specific segments: (1) a "Scéal" Uplift of +8% – raising the credit to 40% – for qualifying Irish feature films with total qualifying expenditure ≤€20 M. This uplift is aimed at lower-budget Irish stories (it replaced a prior regional bonus that had expired). (2) A new 20% tax credit for Unscripted TV productions (reality, talk shows, etc.) was enacted, with a cap of €15 M in qualifying spend per project. As of Oct 2025, this unscripted TV credit was awaiting final EU State Aid approval, but it is expected to launch by the end of 2025 – providing a boost to Ireland's entertainment TV sector. Additionally, the government is evaluating a VFX-specific

incentive for future budgets, acknowledging intense global competition for VFX work. Ireland does not offer a standalone post-production incentive; productions must shoot or officially co-produce in Ireland to access Section 481, which means purely foreign post/VFX work typically doesn't qualify unless structured as a co-production. Nevertheless, with 32–40% credits on tap and a strong talent base, Ireland remains a popular location for both filming and post (as evidenced by ongoing international projects and expansions of Irish VFX facilities).

Germany

Consolidated its support into a single 30% federal rebate on qualified German production spend, replacing prior separate programs. This 30% cash rebate (administered through the DFFF and GMPF funds) applies to all locally incurred production costs – German crew, goods, facilities, etc. – with no per-project cap (though in practice the funds limit grants to ~€50 M per project). A minimum German spend of €2.5 M (for feature films) or €1 M/episode (TV) is required. In July 2025, the government announced it will nearly double the annual funding for these incentives, from ~€133 M to €250 M per year starting 2026. This budget increase, secured through 2029, underscores Germany's commitment to stay competitive. Earlier in 2025, Germany had already raised the rebate rate from 25% to 30% and enacted a new Film Law to streamline the programs. Notably, plans to introduce a U.K.-style tax credit were shelved in favor of bolstering the direct grant system. Germany does not offer a stand-alone post/VFX incentive – projects must undertake production in Germany to qualify (there is no equivalent of a post-only credit).

France

The Tax Rebate for International Production (TRIP) remains a 30% refundable credit on qualified in-country spend in France, with an elevated 40% rate for projects with heavy VFX or animation components (at least €2 M in VFX/animation spend in France). TRIP was extended through 2029, providing long-term certainty. It has a per-project rebate cap of €40 M (i.e. it will rebate up to the first ~€100 M of qualifying expenditure) and requires meeting a cultural test and minimum local spend (€250k, or 5 shooting days in France). Critically, France permits stand-alone VFX/post: projects can access the 40% VFX rate purely for VFX or animation work done in France, even if the live-action filming occurred elsewhere. In 2024, the French government increased the annual funding allocation for TRIP to handle growing demand, though no further changes were made in late 2025. With world-class VFX facilities and the enriched 40% rebate, France continues to attract major animation and effects-heavy productions. No new incentive legislation was introduced in fall 2025, as the current scheme is considered successful and well-funded.

Hungary

Hungary operates one of Europe's most popular production incentives – a 30% cash rebate on all eligible local production expenses. Uniquely, this rebate can also include a portion of foreign spending through a so-called "spillover" mechanism: producers can claim rebate on certain expenses outside Hungary up to 25% of the Hungarian spend, which effectively can boost the rebate value to around 37.5% of the Hungarian budget in some cases. There is no



explicit per-project cap, and both Hungarian and foreign cast/crew costs incurred in Hungary qualify. Demand for Hungary's incentive hit record highs in early 2025, causing a temporary pause in accepting new applications when the volume overwhelmed administrative capacity. In response, the Hungarian film office's budget for incentives was increased to HUF 81 billion (≈$225 M) for 2025 – a 17% boost over the previous year. The government also amended the film law in July 2025 to impose an annual cap on new registrations (HUF 407 B in production spend for 2025) and allowed the film office to defer overflow projects into the next year. After this adjustment, the program reopened by late July 2025 under the new allocation system. Hungary's 30% rebate has been approved through 2030 by the EU, ensuring continuity. There is no separate post-only incentive – a project must register as a film production in Hungary to get the rebate, but in practice even if a movie only does post or VFX in Hungary, it can form a local production entity to qualify. The combination of a high effective rate, cash-back simplicity, and Hungary's strong studio infrastructure (e.g. Origo and Korda studios) keeps the country extremely busy with international shoots in 2025.

Other

Elsewhere, Italy continues to offer up to a 40% tax credit for film productions (capped at €20 M per project, primarily for domestic projects or official co-productions) – this program remained unchanged in 2025. Spain likewise offers a 30% general rebate (up to €10 M per project on the mainland) with enhanced rates up to 50%+ in certain regions like the Canary Islands (albeit under lower caps); Spain made no significant modifications post-July 2025. Across Europe, incentive competition remains strong but no major new programs beyond those noted were launched in late 2025.

Australia

Australia maintains a combination of federal incentives and state-level top-ups:

- **Federal Offsets**: A 30% Post, Digital, and VFX (PDV) Offset is available for qualified post-production or VFX spend in Australia, with no project cap. There is also a Location Offset (16.5% base rate on qualified production spend in Australia) for international productions, which in practice can be uplifted via a discretionary grant to around 30% total for large features – this "Location Incentive" grant fund has been extended and continues to support inbound productions. For Australian domestic content, the Producer Offset offers 40% (feature films) or 30% (TV) on qualifying Australian spend. No changes to federal offset rates occurred in 2025, though the government reaffirmed its support for the grant-topup system amid global competition.
- **State Incentives**: States provide additional rebates that stack on the federal offsets. The most notable update was in Western Australia (WA): effective July 1, 2025, WA introduced a flat 20% Post-Production, Digital & VFX Rebate on qualifying spend in WA. This replaced a prior tiered incentive (which was 20% on the first A$500k, then 10%), making it a straightforward 20% on all post/VFX work done in WA. Combined with the federal PDV, projects doing post in WA now receive a 50% rebate on those



expenditures – the highest effective post-production incentive in Australia. WA's move was aimed at drawing more post work to Perth, branding it as Australia's "most competitive PDV destination". Other popular production states like Queensland, New South Wales, and Victoria did not announce new credits in late 2025, continuing their existing programs (e.g. Queensland's 10–15% Production Attraction Grant, etc.). These states primarily focus on production spend, as the federal PDV already covers post; none rival WA's new PDV rebate this year.

Australia's federal government also indicated it will continue the Location Incentive grant scheme (which effectively boosts the 16.5% location offset to ~30% for select big-budget projects) to keep attracting Hollywood shoots. This comes as global competition intensifies – there was even discussion of potential US trade measures on offshore film production, which Australia is proactively addressing by maintaining generous incentives.

New Zealand

New Zealand offers an uncapped International Screen Production Rebate equal to 20% of qualified production expenditure in New Zealand. This base 20% applies to feature films and series that meet the spend thresholds (currently NZ$15 M for a feature, or NZ$4 M per TV series season). For very large productions that provide "significant economic benefits" to NZ, an additional 5% Uplift is available (bringing the total rebate 7 to 25%). The 5% uplift is discretionary and requires meeting criteria such as a high overall spend (historically >NZ$30 M) plus other industry development contributions. NZ also has a stand-alone 20% Post, Digital and Visual Effects (PDV) grant for projects that carry out post or VFX in New Zealand without shooting there. Notably, in mid-2025 the minimum spend threshold for PDV projects was lowered to NZ$250,000 (down from NZ$500k). This significantly opens the door for smaller VFX gigs and remote post work to be done in NZ with incentive support. At the same time, the government injected an additional NZ$577 M into the screen incentive funding pool to ensure the 20% rebates remain fully funded amid rising demand. The combination of ample funding, lowered barriers for PDV, and the uncapped 20% rebate keeps New Zealand as a key player in attracting international productions – the government has emphasized that these rebates are essential for competing with Australia, Canada, the UK and others. (The 5% uplift remains rarely granted, only to a few top-tier productions each year, pending government approval.)