

PRODUCTION TAX CREDIT AGREEMENT

Please note: Failure to comply with the procedures outlined in the *Production Tax Credit Agreement* may delay your tax rebate.

PRODUCTION TITLE: “ _____ ”

THIS AGREEMENT entered into this _____ day of _____, 2008 by _____, (“Company”) and the State of New Mexico (“Grantor”), with respect to Company’s production of a motion picture currently entitled “ _____ ” (the Picture).

The Company and the State of New Mexico agree as follows:

1. To be eligible for the Production Tax Credit, a film production company shall submit to the New Mexico Film Division of the Economic Development Department information required by the division to demonstrate conformity with the requirements of this section and shall agree:

- (A.) to pay all obligations the film production company has incurred in New Mexico;
- (B.) to publish, at completion of principal photography, a notice at least once a week for three consecutive weeks in local newspapers (ads can be of any size and published in the classified or display section) in regions where filming has taken place to notify the public of the need to file creditor claims against the film production company by a specified date;
- (C.) that outstanding obligations are not waived should a creditor fail to file by the specified date; and
- (D.) to delay filing of a claim for the Production Tax Credit until the New Mexico Film Division delivers written notification to the Taxation and Revenue Department that the film production company has fulfilled all requirements for the credit.

2. The New Mexico Film Division shall determine the eligibility of the company and shall report this information to the Taxation and Revenue Department in a manner and at times the Economic Development Department and the Taxation and Revenue Department shall agree upon.

3. To receive a Production Tax Credit, a film production company shall apply to the Taxation and Revenue Department on forms and in the manner the Department may prescribe. The application shall include a certification of the amount of direct production expenditures or technology expenditures made in New Mexico with respect to the film production for which the film production company is seeking the Production Tax Credit. If the requirements of this section have been complied with, the Taxation and Revenue Department shall approve the Production Tax Credit and issue a document granting the tax credit.

4. The film production company may apply all or a portion of the Production Tax Credit granted against personal income tax liability or corporate income tax liability. If the amount of the Production Tax Credit claimed exceeds the film production company's tax liability for the taxable year in which the credit is being claimed, the excess shall be refunded.

COMPANY:

Company: _____

By: _____

Title: _____

Date: _____

GRANTOR:

State of New Mexico

By: _____

Date: _____