




# Film industry incentives 2025

Information about eligibility for the film tax offsets and how to claim it.

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## What's new for the film industry

The [Treasury Laws Amendment \(Delivering Better Financial Outcomes and Other Measures\) Act 2024](#)  changes the [location tax offset](#) to increase the:

- amount of the location tax offset to 30% of the company's total qualifying Australian production expenditure (QAPE) on the film
- minimum total QAPE threshold to \$20 million
- minimum QAPE per hour threshold to \$1.5 million.

The Minister for Arts was also provided with the power to request information for the purposes of the location tax offset before either:

- determining a company's QAPE on a film
- issuing a certificate to the company for a film.

Before a certificate for the location tax offset is issued, the Minister for the Arts must also be satisfied that certain additional conditions have been met by the company. These relate to the use of resident entities for post digital and visual effects (PDV) production and a minimum training expenditure requirement.

These changes apply where the making of an animated film or the principal photography for any other film started on or after 1 July 2023. However, the minimum training expenditure requirement and the exceptions to it (the permanent film infrastructure exemption and the


training program exemption) have a later start date. They apply if the making of an animated film or the principal photography for any other film started on or after 1 July 2024.

Changes were also made to the [producer tax offset](#). The changes provide that companies who apply for a certificate for a film that is a season of a drama series (that is not a documentary and satisfies certain conditions) don't need to meet the minimum \$500K per hour and \$1m total QAPE thresholds provided their total QAPE on the film is at least \$35 million. There were no changes to the existing expenditure threshold conditions.

This means such companies whose total QAPE on the film is less than \$35 million may still meet the expenditure threshold condition if their QAPE per hour is at least \$500,000 and their total QAPE on the film is at least \$1 million.

These changes apply where the making of an animated film or the principal photography for any other film started on or after 1 July 2024.

## Film tax offsets

The 3 refundable tax offsets available under [Division 376](#)  of the *Income Tax Assessment Act 1997* (ITAA 1997) are the:

- Producer tax offset
- Location tax offset
- Post, digital and visual effects (PDV) tax offset

If a film has been certified for one of the 3 tax offsets, neither of the other 2 tax offsets are available for that film.

### Producer tax offset

The producer tax offset is a refundable tax offset for Australian expenditure in making Australian films. For films starting principal photography on or after 1 July 2021, the amount of the producer tax offset is:

- 40% of the company's total QAPE on a feature film produced for commercial exhibition to the public in cinemas
- 30% of the company's total QAPE on the film in all other cases.


Otherwise, the amount of the producer tax offset is:


- 40% of the company's total QAPE on a feature film
- 20% of the company's total QAPE on a film that isn't a feature film.

The producer tax offset is available to a company for the making of an Australian film when the following conditions are met:


- The film was completed in the income year.
- The 'film authority' (currently **Screen Australia**) has issued to the company a final certificate for the film in relation to the producer tax offset.
- The company claims the tax offset in its tax return for the income year in which the film was completed.
- The company is either an Australian resident company, or a foreign resident company with a permanent establishment in Australia and an Australian business number (ABN).
- The company **hasn't** been provided with financial assistance for the film under Screen Australia's Producer Equity Program.

Screen Australia will issue the certificate to a company only where it is satisfied the criteria set out in Division 376 of the ITAA 1997 have been met.

For more information on the producer tax offset certification, see [Producer offset guidelines](#) .

As part of the process of assessing an application for the final certificate, Screen Australia will formally determine the company's total QAPE on the film for the purposes of the producer tax offset. For a full discussion on what constitutes QAPE, see [Qualifying expenditure](#) .

Screen Australia will also provide a copy of the final certificate and its determination of the company's total QAPE on the film to us to enable us to verify claims. We won't reconsider that determination or aspects of Screen Australia's final certification process.

For more information, see [Screen Australia – Guidelines final certification](#) .

## Location tax offset

The location tax offset is a refundable tax offset The amount of the location tax offset is 30% of the company's total QAPE on the film if

either of the following started on or after 1 July 2023:

- the making of a film that is predominantly a digital animation or other animation
- the principal photography for any other type of film.


If principal photography or production of the animated image started on or after 10 May 2011 the amount of location tax offset is 16.5% of the company's total QAPE on the film.

The location tax offset is available to a company for the making of a film when the following conditions are met:

- The company's QAPE on the film ceased being incurred in the income year.
- The Minister for the Arts has issued to the company a final certificate for the film relating to the location offset.
- The company claims the tax offset in its tax return for the income year in which the company's QAPE on the film stopped being incurred.
- The company is either an Australian resident company, or a foreign resident company with a permanent establishment in Australia and an ABN.

The Minister for the Arts will issue the certificate to a company only where they are satisfied the criteria set out in Division 376 of the ITAA 1997 have been met.

An application to the Minister for the Arts for the final certificate is considered by the Film Certification Advisory Board, comprising industry representatives and a senior official from the Department of Infrastructure, Transport, Regional Development, Communications and the Arts. The Board advises the Minister on whether to issue a final certificate.

For more information on the location tax offset certification, including QAPE thresholds, and what the Minister for the Arts considers for eligibility, see [Tax rebates for film and television producers](#) .

Like the producer tax offset, the company's total QAPE on the film is determined as part of the final certification process for the location tax offset. That information, along with a copy of the final certificate, is provided to us to enable us to verify claims and process payment of the location tax offset.

## PDV tax offset

The PDV tax offset is a refundable tax offset that relates to post-production, digital and visual effects production in Australia, no matter where the film is shot.


The amount of the PDV tax offset is 30% of the company's total QAPE that relates to PDV production for the film (which is, broadly, expenditure on PDV production work in Australia) if the PDV production started on or after 1 July 2011.

The PDV tax offset is available to a company in respect of a film when the following conditions are met:

- The company's QAPE on the film related to PDV production stopped being incurred in the income year.
- The Minister for the Arts has issued to the company a final certificate for the film relating to the PDV tax offset.
- The company claims the PDV tax offset in its tax return for the income year in which the company stopped incurring QAPE related to PDV production for the film.
- The company is either an Australian resident company, or a foreign resident company with a permanent establishment in Australia and an ABN.

The Minister for the Arts will issue the certificate to a company only where they are satisfied the criteria set out in Division 376 of the ITAA 1997 have been met.

An application to the Minister for the Arts for the final certificate is considered by the Film Certification Advisory Board, comprising industry representatives and a senior official from the Department of Infrastructure, Transport, Regional Development, Communications and the Arts. This Board advises the Minister on whether to issue a final certificate.

For more information on the PDV tax offset certification, including QAPE thresholds, and what the Minister for the Arts considers for eligibility, see [Tax rebates for film and television producers](#) .

The company's total QAPE related to PDV production for the film is determined as part of the final certification process for the PDV tax offset. That information along with a copy of the final certificate is provided to us to enable us to verify claims.

## Revoking a certificate

Certificates issued by the Minister for the Arts and Screen Australia can be revoked. This means that if an assessment of a company's income tax is issued on the basis that the company is entitled to a tax offset for a film and the certificate for the film is then revoked, the assessment will be amended to take account of the fact that the company was never entitled to the tax offset, see [section 376-270](#) of ITAA 1997. A decision to revoke a certificate previously issued or a decision not to issue a certificate are reviewable in the Administrative Review Tribunal.

## How to claim film tax offsets

Companies claim all film tax offsets in the *Company tax return 2025* at Calculation statement – label **E Refundable tax offsets**.

QC 104755

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