



Filming in Italy

Successful Films

in a Successful Incentive's Framework

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ANICA, THE ITALIAN ASSOCIATION OF FILM INDUSTRIES

Founded in 1944, ANICA is the association that represents the Italian film and audiovisual industries in dealings with political and union institutions while establishing relations with all the key players in the promotion of films and communications products in Italy and abroad.

Within Italy's Federation Confindustria Cultura Italia, ANICA is a member of Confindustria (the Italian Industry Confederation), actively representing the film industry.

The association is divided into three sections: producers, distributors and technical enterprises (printing and development, film studios and sound-sets, equipment rental, audio and video post-production and transport).

As Academy of Motion Picture Arts and Sciences's representative in Italy, ANICA selects Italy's Oscar candidate for best foreign film. It is also a founding partner of the "David di Donatello" Award, belongs to the World Federation of Cinema Distributors Associations and to the Association for the International Collective Management of Audiovisual Works.

ITALIAN LAW No. 244/2007

**Article 1 Financial Law for 2008
provides fiscal incentives for:**

**Italian Films
(National and Coproductions)**

Foreign Films

Italian Films

**(qualified by Ministry of Culture, under any
co-production treaty or UE Convention)**

Foreign Films

**(not qualified as Italian under any
co-production treaty or UE Convention)**

Benefit grant to: Italian Producer

Benefit grant to: Italian Line Producer

TAX CREDIT RATES AND REQUIREMENTS

Italian Tax Credit Scheme for Film Producers



Italian Films

Rate: **15%** of eligible costs

Credit limit: **€ 3.500.000/YEAR**
(i.e. €22.5 mil. invested)

Main condition:
80% of the credit spent in Italy
(i.e. 12% of the budget: $15\% \times 80\% = 12\%$)



Foreign Films

Rate: **25%** of eligible costs

Credit limit: **€ 5.000.000/FILM**
(i.e. €20 mil. invested)

Main condition:

- Italian expenses must not exceed **60%** of Budget
- Expenses in other UE countries are eligible up to **30%** of the Budget

THE TAX CREDIT MONTHLY OFFSETTING

Producer doesn't need taxable income



Tax credit can be used to offset any tax debt



**Including:
VAT**

**Corporate Income tax (Ires)
Regional income tax (Irap)
Social contribution (Enpals)
Taxes withheld on labour cost (Irpef)**

THE TAX CREDIT: FOREIGN FILMS NUMBERS

TAX CREDIT FOREIGN FILMS JUNE 2012

NATIONALITY		NUMBER OF FILMS	AMOUNT INVESTED	AMOUNT INVESTED PER COUNTRIES	TAX CREDIT ACCRUED	TAX CREDIT ADMITTED
UK	10 film	1 film UK	€ 8.874.303	€ 34.953.455	€ 8.738.364	€ 6.984.889
		1 film UK	€ 1.436.172			
		1 film UK	€ 9.422.378			
		1 film UK	€ 1.555.702			
		1 film UK	€ 1.671.615			
		1 film UK	€ 1.934.337			
		1 film UK	€ 1.847.922			
		1 film UK	€ 131.931			
		1 film UK	€ 1.088.025			
		1 film UK	€ 6.991.069			
USA	3 film	1 film USA	€ 20.000.000	€ 25.644.043	€ 6.411.011	€ 6.355.961
		1 film USA	€ 5.423.843			
		1 film USA	€ 220.201			
JAPAN	2 film	1 film japanese	€ 693.339	€ 2.289.497	€ 572.374	€ 572.374
		1 film japanese	€ 1.596.158			
GERMANY	2 film	1 film german	€ 1.138.550	€ 1.838.550	€ 459.638	€ 278.604
		1 film german	€ 700.000			
HOLAND	1 film	1 film dutch	€ 3.090.981	€ 3.090.981		
AUSTRALIA	1 film	1 film Australian	€ 603.533	€ 603.533	€ 150.883	€ 149.665
FRANCE	1 film	1 film French	€ 586.611	€ 586.611	€ 146.653	€ 146.653
SPAIN	1 film	1 film Spanish	€ 66.495	€ 66.495	€ 16.624	€ 15.096
AUSTRIA	1 film	1 film Austrian	€ 1.777.000	€ 1.777.000		
Total: 22 films			€ 70.850.165			€ 14.503.242

Source: DGCinema - MiBAC

CULTURAL REQUIREMENTS

**All categories of film must pass a “cultural” test
To meet the EU requirement for State aid**

**Films of
Italian
Nationality**



Cultural test A

**Films of
Cultural Interest (CI)**



Cultural test A + B

Foreign Films



Cultural test C

CULTURAL TEST FOR FOREIGN FILM: BLOCK A

TABLE C ART. 1, EIGHTH PARAGRAPH, MINISTERIAL DECREE ON TAX CREDITS	
CULTURAL ELIGIBILITY REQUISITES: FOREIGN FEATURES FILMS	
Requisite	Maximum Score
BLOCK A: CONTENT	
A.1 Film script/screenplay adapted from literary work	10
A.2 Film script/screenplay concerning a historical, legendary, religious, social, artistic or cultural event	10
A.3 Film script/screenplay concerning a celebrity of artistic, historical, religious, social or cultural import	10
A.4 Italian or European main characters of the script or of the screenplay	10 (4.6)
A.5.1 Film script set in Italy or in other European Countries (up to 30% of screenplay scenes set in Italy 6 points; over 30%, 15 points; minimum threshold: 15% of the scenes) or A.5.2. Outdoor scenes of the film shot in Italy with the aim to valorize artistic, architectural and archeological assets (up to 30% of outdoor scenes contained in the screenplay shot in Italy, 6 points; over 30%, 15 points; minimum threshold: 15% of the scenes)	15 (6)
A.6 Original dialogues recorded, post-synchronized or subtitled in Italian or Italian dialect (minimum threshold: 50% of the scenes contained in the screenplay)	5

CULTURAL TEST FOR FOREIGN FILM : BLOCK B

BLOCK B: CREATIVE TALENTS	
B.1 Presence of a filmmaker originating from or citizen of the Countries of the European Economic Space –EES (producer, director, scriptwriter, composer)	8 (max) (2 points for each professional figure)
B.2 Presence of a creative talent originating from or citizen of the Countries of the European Economic Space –EES (interior designer, art director, chief make-up artist, costume designer, photography director, line producer, editor, set designer)	8 (max) (1 point for each professional figure)
B.3 Presence of at least one lead actor originating from or citizen of the Countries of the European Economic Space –EES	2
B.4 Presence of at least two supporting actors originating from or citizens of the Countries of the European Economic Space –EES	2
TOTAL MAX SCORE B	20

CULTURAL TEST FOR FOREIGN FILM: BLOCK C

BLOCK C: PRODUCTION	
C.1 Scenes shot in a studio in Italy (up to 20% of the scenes contained in the screenplay shot in Italian studios, 4 points; over 20%, 8 points)	8(4)
C.2 Digital effects in Italy	2
C.3 Special effects in Italy	2
C.4 Music recording in Italy	2
C.5 Sound editing and mixing in Italy	2
C.6 Laboratory work in Italy	2
C.7 Final editing in Italy	2
TOTAL MAX SCORE C	20
TOTAL OVERALL	100
At least 2 from among requisites A.1, A.2, A.3 and A.5 of Block A are compulsory	
Minimum total score 50/100 required for the purpose of enforcing art. 1, paragraph 335, of law no. 244 dated 24 December 2007	

BUDGET: ELIGIBLE COSTS

All costs as specified, item by item, in table "D" attached to the Decree



Production costs up to the master copy (excluding any distribution cost)

Financial and insurance expenses: maximum 7,5% of the Production Cost

Producer fee: not included

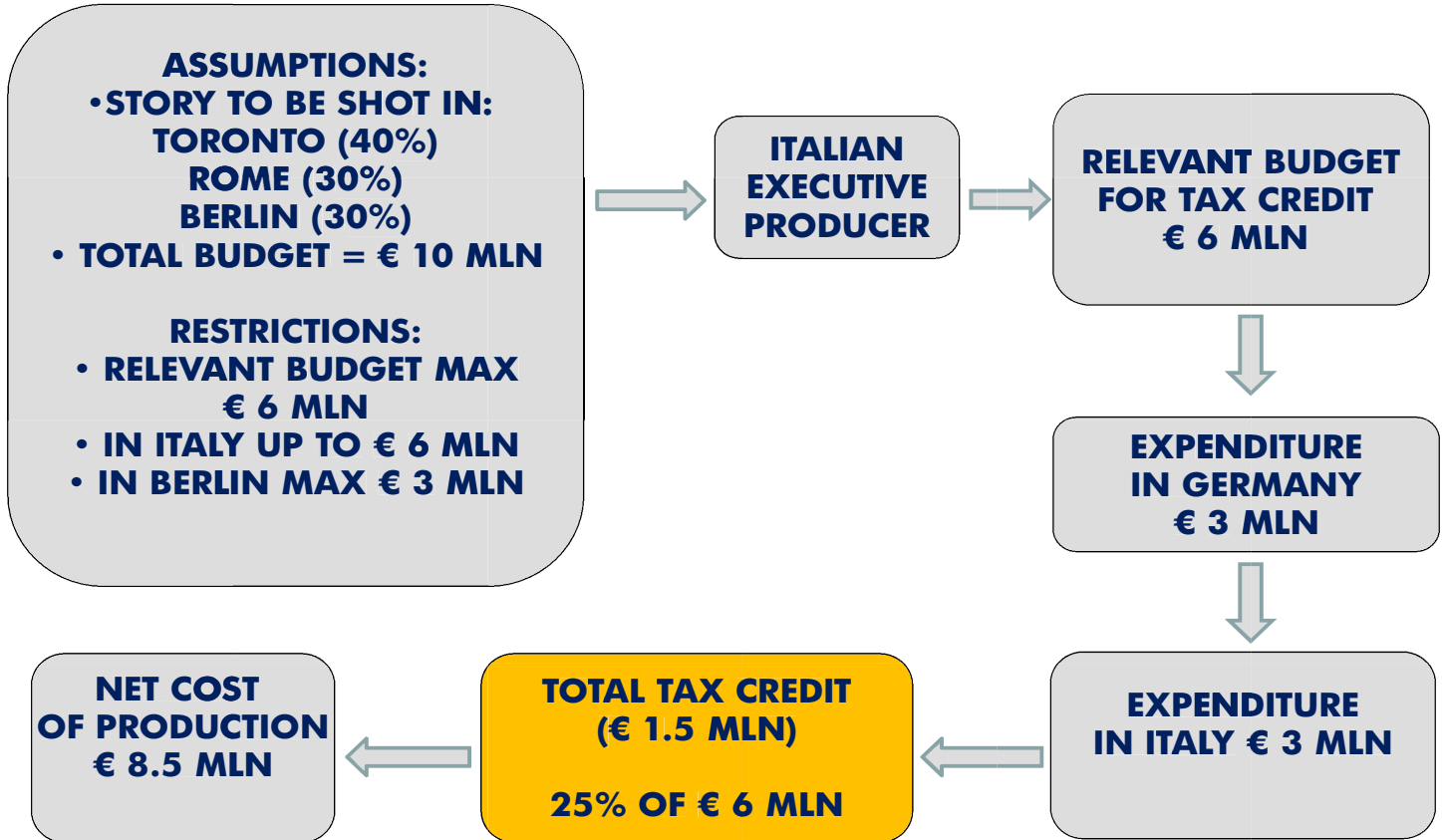
Production staff costs, net of social security contribution, not higher than 25% of total cost

Overhead expenses (staff and location not involved in the production): eligible in the percentage corresponding to the ratio between number of shooting days and annual days and, in any case, up to a maximum amount of 7,5% of the Production Cost

HOW TO GET THE TAX CREDIT

- **Tax Credit Preliminary Application to Italian Ministry of Culture (“Mibac”)**: such application to be submitted by IPSC (and countersigned by Foreign producer). The actual use of the tax credit is conditional upon this application;
- **Cultural Eligibility**: Mibac shall confirm if the picture is eligible or not by the end of the month following the date of submission of the preliminary application;
- **Tax Credit Final Application to Mibac**: such application to be submitted by ISPC (and countersigned by Foreign producer) together with a description of the costs incurred by ISPC certified by an independent chartered accountant;
- **Tax credit final amount**: Mibac shall confirm the final amount of the tax credit accrued by the eligible picture within 60 days following the date of submission of the final application

THE EFFECTIVE SAVING ON THE BUDGET TAX CREDIT FOR FOREIGN FILM



THE EFFECTIVE SAVING ON THE BUDGET TAX CREDIT FOR COPRODUCTIONS

ASSUMPTIONS:

- STORY TO BE SHOT IN:
TORONTO (20%)
ROME (30%)
PARIS (50%)
- TOTAL BUDGET= € 10 MLN
- ITALIAN COPRODUCER 50%

RESTRICTIONS:

- ITALIAN NATIONALITY OF THE FILM
- 80% OF TAX CREDIT TO BE SPENT IN ITALY

ITALIAN
COPRODUCER

RELEVANT
BUDGET
FOR TAX CREDIT
€ 5 MLN

EXPENDITURE
IN ITALY € 600.000
IN TORONTO € 4.4 MLN

OTHER MEASURES
APPROVED
(Outside investors)

TOTAL
EXPENDITURE
OF ITALIAN
COPRODUCER
€ 4.250 MLN

TOTAL TAX CREDIT
(€ 750.000)
15% OF € 5 MLN

WHO CAN BE CONTACTED FOR FURTHER INFORMATION?

Since 2008, ANICA maintains an infopoint to explain the finer points of the Italian Law on tax measures. The Office, Andrea Pietra, Rossella Mercurio and Ludovica Baldan, supports Italian and international professionals providing:

- Information, promotion and workshops;**
- Expert assistance on the measures' application;**
- Advice on film projects eligibility in order to benefit from tax benefits;**
- Implementation of a web page entirely aimed to regulations and international events involving tax affairs.**



REGIONAL FUNDS IN ITALY-2012



REGIONAL FUNDS IN ITALY-2012

In Italy, in addition to fiscal incentives in favor of the industry, there are also available both National and Regional direct funds.

The National funds (FUS) are intended only for Italian companies. The Regional funds are varied in their objectives, nature, substance, criteria and beneficiaries: some of these are directed towards foreign companies. The following is a summary of all present regional funds available; those indicated are also explicitly directed to foreign companies.

For detailed information on each individual measure please refer to the specific area on the ANICA website:

<http://www.anica.it/online/index.php/fondi-regionali.html>

**PROVINCIA AUTONOMA
DI BOLZANO**

BLS Film Fund Alto Adige

BUDGET 2012 € 5.000.000

MAX CONTRIBUTION € 1.500.000

**PROVINCIA AUTONOMA
DI TRENTO**

Film Fund

BUDGET 2012 € 1.200.000

(including FC fee)

MAX CONTRIBUTION € 200.000

PIEMONTE

Piemonte Doc Film Fund

BUDGET 2012 € 100.000

MAX CONTRIBUTION development € 20.000;

production € 60.000

Film Investimenti Piemonte

BUDGET 2012 Subject to availability

MAX CONTRIBUTION € 300.000

TOSCANA

**Erogazione contributi per
l'incoming cinematografico**

BUDGET 2012 € 350.000

MAX CONTRIBUTION € 100.000

LAZIO

**Fondo regionale Cinema e
Audiovisivo**

BUDGET 2012 € 15 milioni

MAX CONTRIBUTION

Movies € 500.000;

Audiovisual € 750.000

FRIULI VENEZIA GIULIA

Film Fund

BUDGET 2012 € 330.000 - MAX CONTRIBUTION € 150.000

Fondo Audiovisivo FVG

BUDGET 2012 € 205.000 - MAX CONTRIBUTION development € 30.000;

distribution € 100.000; training € 20.000

VENETO

Fondo Regionale per il Cinema e l'Audiovisivo

BUDGET 2012 € 370.000

MAX CONTRIBUTION € 50.000

EMILIA ROMAGNA

Interventi regionali a favore del

documentario e del cinema di animazione

BUDGET 2012 € 190.000

MAX CONTRIBUTION documentary € 20.000; animation € 30.000

PUGLIA

Apulia National Film Fund

BUDGET 2012 € 1.670.000

MAX CONTRIBUTION € 200.000

Apulia International Film Fund

BUDGET 2012 € 500.000

MAX CONTRIBUTION € 150.000

Apulia Hospitality Fund

BUDGET 2012 € 709.000

MAX CONTRIBUTION € 200.000

REGIONAL FUNDS IN ITALY-2012

REGION	NAME OF FUND	ELIGIBLE WORKS	ELIGIBLE STAGE	BENEFICIARY	BUDGET 2012	CONTRIBUTION TYPE
Emilia Romagna	<i>Interventi regionali a favore del documentario e del cinema di animazione</i>	documentary, animation	production	Production company or association (for animation films: author resident of region)	€ 190.000	grant
Lazio	<i>Fondo regionale Cinema e Audiovisivo</i>	film and AV recognized as "cultural product"	production	Film or AV production company	€ 15.000.000	grant
Friuli Venezia Giulia	<i>Film Fund</i>	feature film, fiction, animation, short film, documentary, videoclip	production	Film or TV production company also non EU	€ 330.000	grant
	<i>Fondo Audiovisivo FVG</i>	Fiction (even feature film animation), short film, documentary	development, distribution, training	Independent production company based in region; for training: persons resident of region	€ 205.000	grant
Piemonte	<i>Piemonte Doc Film Fund</i>	documentary	development, production	Production company based in region or based in Italy, EU or non EU with executive producer or co-producer resident of region	€ 100.000	grant
	<i>Film Investimenti Piemonte</i>	feature film	production	Italian production company	Subject to availability	revolving fund – share rights
Provincia Autonoma di Bolzano	<i>BLS Film Fund Alto Adige</i>	feature film, animation, documentary, TV fiction , TV series	pre-production, production	Production company regardless of location. In the case of international co-production, the beneficiary is the Italian producer for his share	€ 5.000.000	grant
Provincia Autonoma di Trento	<i>Film Fund</i>	works intended for cinema distribution, television, multimedia and HV both domestic and international, documentaries and works for the new media, original format	development, distribution, training	Italian, EU and non EU independent production company; for development and training: professionals resident of region; for development of new formats: local television editors	€ 1.200.000 (including FC fee)	grant

For detailed information on each individual measure please refer to the specific area on the ANICA website

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REGIONAL FUNDS IN ITALY - 2012

REGION	NAME OF FUND	MAX CONTRIBUTION	RESTRICTIONS			
			GENERAL	TERRITORIAL SPENDING OBLIGATION (% CONTRIBUTION)	TERRITORIAL FILMING OBLIGATION (% TOTAL SHOOTING)	OBLIGATION TO USE LOCAL CREW/ CAST
Emilia Romagna	<i>Interventi regionali a favore del documentario e del cinema di animazione</i>	documentary €20.000; animation €30.000	Topics related to regional culture; direct spending within territory; beneficiary resident of region	–	–	–
Lazio	<i>Fondo regionale Cinema e Audiovisivo</i>	film € 500.000; AV € 750.000	40% of production cost must be spent within territory	–	–	–
Friuli Venezia Giulia	<i>Film Fund</i>	€ 150.000		150%	50%	20%
	<i>Fondo Audiovisivo FVG</i>	development €30.000; distribution €100.000; training €20.000	beneficiary resident of region	–	–	–
Piemonte	<i>Piemonte Doc Film Fund</i>	development €20.000; production €60.000		120% (only for producers non residents of region)	–	–
	<i>Film Investimenti Piemonte</i>	€ 300.000		100%	setting Piemonte	50%
Provincia Autonoma di Bolzano	<i>BLS Film Fund Alto Adige</i>	€ 1.500.000		100/150%	benefits	–
Provincia Autonoma di Trento	<i>Film Fund</i>	€ 200.000		150%	–	20%

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REGIONAL FUNDS IN ITALY - 2012

REGIONE	NAME OF FUND	ELIGIBLE WORKS	ELIGIBLE STAGE	BENEFICIARY	BUDGET 2012	CONTRIBUTION TYPE
Puglia	<i>Apulia National Film Fund</i>	feature film, TV movies, TV series, documentary, docudrama, mocumentary, short fiction, videoclip, video games, animated film	production	Italian, EU and non-EU production company (also temporary association of companies or co-production)	€ 1.670.000	grant
	<i>Apulia International Film Fund</i>	feature film, TV movie, TV series	production	Production company both EU and non EU with Italian executive producer or Italian minority co-production (also temporary association of companies or co-production, cooperative or foundation)	€ 500.000	grant
	<i>Apulia Hospitality Fund</i>	feature film, TV movies, TV series, documentary, docudrama, mocumentary, short fiction, video	production (only hospitality expenses)	Italian, EU and non-EU production companies (also a temporary association of companies or a co-production)	€ 709.000	grant
Toscana	<i>Erogazione contributi per l'incoming cinematografico</i>	feature film, TV fiction, documentary, short film	production	Film production company	€ 350.000	grant
Veneto	<i>Fondo Regionale per il Cinema e l'Audiovisivo</i>	Cinema and AV works	production, development	National and foreign production company (production) and production company based in Veneto (development)	€ 370.000	grant

For detailed information on each individual measure please refer to the specific area on the ANICA website
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REGIONAL FUNDS IN ITALY - 2012

REGION	NAME OF FUND	MAX CONTRIBUTION	RESTRICTIONS			
			GENERAL	TERRITORIAL SPENDING OBLIGATION (% CONTRIBUTION)	TERRITORIAL FILMING OBLIGATION (% TOTAL SHOOTING)	OBLIGATION TO USE LOCAL CREW/ CAST
Puglia	<i>Apulia National Film Fund</i>	€ 200.000		150%	–	20%
	<i>Apulia International Film Fund</i>	€ 150.000		200%	min 3 weeks	35%
	<i>Apulia Hospitality Fund</i>	€ 200.000	contribution of up to 15% of the costs incurred in Region	–	–	–
Toscana	<i>Erogazione contributi per l'incoming cinematografico</i>	€ 100.000	obligation to use vendors identified by AFC for eligible expenses (accommodation, food and transport)	–	–	–
Veneto	<i>Fondo Regionale per il Cinema e l'Audiovisivo</i>	€ 50.000		150%	–	–

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