[FR] Introduction of a Tax Credit for the Cinema in the 2004 Budget

IRIS 2004-2:1/23

Clélia Zérah
Légipresse

In a communication on policy in favour of the cinema presented on 30 April 2003, the Minister for Culture and Communication, Mr Jean-Jacques Aillagon, pointed out that the system for funding cinema was showing signs of fragility, and that it was necessary to make changes in the system.

This has now been done, with the adoption of a tax credit system for cinema as part of the 2004 budget on 30 December 2003. Implementing regulations dated 7 January 2004 lay down the way in which the measure is to be implemented.

The new system is a response to the recurrent concerns of professionals in the sector. It enables cinematographic production companies that are liable to company tax and which act as executive production undertakings to benefit from a tax credit in respect of a range of production expenses listed in the new legislation these correspond to operations carried out in France with a view to producing full-length cinematographic works that are approved and may receive financial support intended for the cinematographic industry.

There is a ceiling of EUR 500 000.00 on the amount of this tax advantage for a cinematographic work of fiction or a documentary, increased to EUR 750 000.00 for full-length animated films. The difference is justified by the fact that technical expenditure for this type of film takes up a larger proportion of their budgets.

The tax credit will be offset against the company tax due from the undertaking for the current year, in respect of which the expenditure that may attract this advantage is set out. If the amount of the tax credit exceeds the amount of tax due for a financial year, the surplus shall be repaid.

This new measure reflects the Minister for Culture and Communication's concern to encourage a new increase in the number of films being made in France using local technical services, in the face of the increase in the number of films that were shot outside France in 2002 and 2003.

2004 Budget (Act No. 2003-1311 of 30 December 2003), published in the official gazette of 31 December 2003

© European Audiovisual Observatory (Council of Europe) 2026

Statutory instrument Nr. 2004-21 of 7 January 2004 laying down the way in which the tax credit system for cinema included in the 2004 budget is to be implemented

© European Audiovisual Observatory (Council of Europe) 2026

© European Audiovisual Observatory (Council of Europe) 2026