[GB] Chancellor Announces New Relief on Expenditure for Film Production

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Currently, relief for expenditure on production and acquisition of films is covered by the Finance Act (No 2) 1997, Section 48. However, this is due to expire in July 2005.

In the Budget Speech in the UK Parliament recently, the Chancellor said: "Since 1997 support for the British film industry has been worth GBP 2 billion and the number of films made here in Britain has doubled. I now propose to transfer the available reliefs for British-made films with budgets below GBP 15 million from the third parties, a minority of whom have abused them, and to pay reliefs directly to the film-makers themselves. The new relief will be set at a new and higher level of 20 per cent."

The UK Film Council has stated that several recent British film successes were made using the Section 48 relief, e.g., "Calendar Girls", "Bend it like Beckham" and "Gosford Park".

Apart from changing the subject of the relief from third-parties to film-makers as such, consideration is also to be given to expanding the scope of the relief to film distribution.

Finance Act (No. 2) 1997 Section 48

http://www.hmso.gov.uk/acts/acts1997/97058--c.htm#48

"UK Film Council welcomes announcement of new tax credit to support future film production following expiry of section 48", UK Film Council Press Release of 17 March 2004

http://www.ukfilmcouncil.org.uk/news/?p=D4A1572507bd823943JqM2167D71&skip=0

Chancellor's Budget Speech

http://www.number-10.gov.uk/output/Page5536.asp

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