[NL] Tax Advantages to Stimulate the Movie Industry

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At the end of 2004, the Dutch authorities decided to continue their policy to stimulate the movie industry by offering tax advantages. This policy was endowed with a total of EUR 20 million per year. The measures were then successfully submitted for approval to the European Commission. The purpose of this policy is to stimulate the private sector to invest more money in movies for a wider audience. So far, the measures have proved efficient in reaching that goal. More of these movies were made and the market share of Dutch movies increased. The public at large showed more interest in Dutch movies and a new generation of filmmakers arose.

As of 1 January 2006, the fiscal possibilities have been further extended. Investing in a Dutch movie was still quite risky because of the limited size of the national market and the linguistic area. Even if a movie becomes a great success, the economic profit is relatively small. A part of this risk is being covered by tax advantages such as, for example, a partial exemption from the obligation to pay tax on the profits. These and other fiscal measures alone are not enough to make investing in a Dutch movie fully profitable. That is why it is being studied how the policy can be improved by combining these measures with the granting of subsidies. This would make it more appealing for the private sector to invest in Dutch movies. By continuing and improving the policy to stimulate the film industry more Dutch movies can be expected in future. The Secretary of State for Culture and Media has also paid particular attention to other aspects of this policy, focusing on certain film categories (such as films attracting wide audiences and the so-called telefilm project) but also on the cultural aspects of the movie industry. The latter entails a “quality test” which is to guide the Dutch Film Fund in determining which films should be granted a subsidy.

Verbetering Fiscale Regeling Filmsector, 12.07.2005

http://rechtennieuws.nl/3748/verbetering-fiscale-regeling-filmsector.html

Improved Tax Arrangement for Film Sector, press release of 12 July 2005

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