# [IE] Film Tax Relief Retained

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In his budget speech on 5 December 2007, the Minister for Finance announced the retention of film tax reliefs until 2012. The current tax incentive scheme for film and television made in Ireland, which is set out in Section 481 of the Taxes Consolidation Act 1997 (as amended), allows businesses and individuals to offset their investment in film against tax (see IRIS 2001-2: 10 and IRIS 2004-1: 14). The scheme was due to expire in December 2008, so its retention until 2012 is welcomed by the film industry.

The Irish Film Board published a rough guide to the scheme in February 2007. The scheme applies to feature films, creative documentaries, and animation and, unlike elsewhere in Europe, it also applies to television, as well as cinematic productions. The 2007 Review of the film industry by the Audiovisual Federation of the Irish Business and Employers' Confederation (IBEC) in November 2007, indicated that Section 481 was crucial to maintaining competitiveness in attracting inward investment to the sector. In 2006, 261 productions had combined budgets totalling EUR 279.9m, of which EUR 88.3m, i.e. over 31%, came from Section 481 relief. While the cost to the exchequer of foregoing the tax is estimated at around EUR 36.2 million, the gross gain was estimated at EUR 55.7m, thereby providing a net gain of EUR 19.5m. However, the Irish Film Board believes the current tax incentives are no longer sufficient, especially given the changes made in the UK in 2006. Meanwhile, the Film Board has announced new funding for short films, including live action and animated films on the Internet.

The Government commissioned a review of film financing in 2007. The review has recommended some adjustments to the scheme. The Minister for Finance referred to adjustments to the scheme in his budget speech and said that any adjustments would be announced as part of the Finance Bill 2008.

### *Irish Budget Announcement 5 December 2007*

http://www.budget.gov.ie/2008/financialstatement.html

### *"A Rough Guide to Section 481", Irish Film Board*

http://www.irishfilmboard.ie/files/Section%20481%20-%20Rough%20Guide%20Feb08.pdf

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***"Indecon Review of Section 481 Film Relief", 1 November 2007, commissioned by Dept of Finance***

http://www.finance.gov.ie/documents/publications/reports/taxrelfilmjan08.pdf

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