[GB] Tax Relief for British films

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Stefaan Verhulst
PCMLP University of Oxford

The Chancellor has announced in his first Budget a new tax relief for British films. This will allow 100% write off for the expenditure of a British film which costs £15 million or less to make, when the film is completed. This applies to production costs incurred or acquisition costs of a film completed and acquired after 2nd July 1997, even if a film started before that date. A qualifying British film is a film certified under the Films Act 1985 by the Department for Culture, Media and Sport (the former Department of National Heritage) as a British film. There are detailed criteria to be met but basically the maker of the film must be registered, managed and controlled in the UK or another EU state, mostly UK studios must be used and most of the labour costs must be paid to people in Commonwealth or EU states. This relief is along the lines of the proposals made by the Middleton Committee on Film Finance in 1996 (See IRIS?). The measure will be built into the existing legislation for British qualifying films at section 42 of Finance (No2) Act 1992.

Tax relief for British films. HM Treasury: The Budget 1997, 2 July 1997

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