

MARYLAND CODE.

ARTICLE 83A. DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT
TITLE 4. DIVISION OF TOURISM, FILM AND THE ARTS
SUBTITLE 5. FILM PRODUCTION ACTIVITY TAX EXEMPTIONS

4-501. Film production activity tax exemption

(a) *Legislative intent.*- It is the intent of the General Assembly that the tax exemption provided under §11-227 of the Tax-General Article is for the purpose of increasing the film production activity carried out in the State, bringing economic benefits to the citizens of the State and generating increased employment opportunities in the State.

(b) *Certification and eligibility.*- To ensure that the tax exemption is granted for a film production activity, a film producer or a production company seeking eligibility for the exemption must first apply for and receive from the Department a certification of eligibility for the exemption.

(c) *Regulations.*- The Department and the Comptroller jointly shall adopt regulations defining with greater specificity for purposes of the sales and use tax exemption under §11-227 of the Tax-General Article what constitutes a film production activity and what constitutes tangible personal property and taxable services used directly in connection with a film production activity.

[2000, ch. 61, § 6; ch. 432.]

TITLE 11. SALES AND USE TAX
SUBTITLE 2. EXEMPTIONS**11-227. Property or service used directly in film production activity**(a) *Definitions.*-

(1) In this section the following words have the meanings indicated.

(2) (i) "Film production activity" means the production or postproduction of film or video projects including feature films, television projects, commercials, corporate films, infomercials, music videos, or other projects for which the producer or production company will be compensated, and which are intended for nationwide commercial distribution.

(ii) "Film production activity" includes the production or postproduction of digital, animation, and multimedia projects.

(iii) "Film production activity" does not include:

1. production or postproduction of student films or noncommercial personal videos; or
2. any activity not necessary to and undertaken directly and exclusively for the making of a master film, tape, or image.

(3) "Tangible personal property or a taxable service used directly in connection with a film production activity" includes:

- (i) camera equipment and supplies;
- (ii) film and tape;
- (iii) lighting and stage equipment and supplies;
- (iv) sound equipment and supplies;
- (v) recording equipment and supplies;
- (vi) costumes, wardrobes, and materials to construct them;
- (vii) props, scenery, and materials to construct them;
- (viii) design supplies and equipment;
- (ix) drafting supplies and equipment;
- (x) special effects supplies and equipment;
- (xi) short-term vehicle rentals; and
- (xii) fabrication, printing, or production of scripts, storyboards, costumes, wardrobes, props, scenery, or special effects.

(b) *Exemption.*- The sales and use tax does not apply to a sale of tangible personal property or a taxable service used directly in connection with a film production activity by a film producer or production company certified by the Department of Business and Economic Development under Article [83A](#), § [4-501 of the](#) Code.