

Oklahoma Film Enhancement Rebate Program

Qualifying Oklahoma Expenditures

The following is a list of qualifying expenditures for Oklahoma scouting, production and post-production:

- **Lodging/Accommodations**
 - Oklahoma Lodging costs
- **Building Rentals**
 - Rental of facilities paid to an Oklahoma company
- **Food/Restaurant Expense**
 - Catering Services with an Oklahoma company
 - Crafty expenditures paid to an Oklahoma company
- **Equipment Rental/Purchase**
 - Rental of equipment paid to an Oklahoma company
- **Materials Rental/Purchase**
 - The cost of construction and operations, wardrobe, accessories and related services procured in Oklahoma or paid to an Oklahoma company
- **Locations and Studio Rentals**
 - Permitting fees
 - Rental fees
- **Living Expenses**
 - Box rentals paid for Oklahoma crew
 - Per Diem paid to cast and crew for Oklahoma prep, shoot and post-production dates (both resident and non-resident)
- **Transportation**
 - Vehicle rentals used by production in Oklahoma providing it is a taxable transaction in Oklahoma
- **Overnight Courier Services**
 - Shipping for packages originating within and/or terminating in Oklahoma that are directly attributable to filming in Oklahoma
- **Travel Expenses**
 - The purchase of airline tickets for the purposes of location scouting and production of the film if utilizing an Oklahoma-based travel agency. Flight must originate or conclude within Oklahoma. (**Note:** Airline direct-purchases do not qualify.)
 - Airline baggage fees: up to two per flight, per person for flights into or out of Oklahoma for cast and production personnel
- **Contracted Services**
 - The cost of photography, sound synchronization, lighting, casting, security and related services paid to an Oklahoma company
 - Third party final rebate reviews conducted by pre-certified Oklahoma accounting firm
 - Completion bonding if utilizing an Oklahoma-based bonding agent
- **Insurance**
 - Production insurance if utilizing an Oklahoma-based insurance agent
- **Oklahoma Music**
 - Music recorded in Oklahoma and associated cost; cost of licensing music previously recorded in Oklahoma (See Section 2A.)
- **Labor Compensation**
 - Below-the-line (“BTL”) wages paid to Oklahoma residents through a payroll company (Signed Form E required for all qualifying labor)

- Payments made to resident above-the-line (“ATL”) personnel
- Payments made to non-resident “ATL” personnel paid via loan-out corporations or limited liability companies registered to do business with the Oklahoma Secretary of State’s Office. “ATL” defined as director, producer, Schedule F SAG (contract run-of-show player) and writer. **Note:** No more than Twenty-five percent (25%) of your total qualifying Oklahoma spend can be comprised of aggregate qualifying above-the-line payments.
- Wages paid to *Oklahoma Expatriates (*as described in item 2C)
Note: Only wages paid through a payroll company will qualify. OF&MO does not allow for crew to be compensated as contract labor. (Does not apply to contracted services such as catering, casting and security.)
- Underlying rights for screenplay paid to an Oklahoma entity or individuals with an Oklahoma tax liability (also subject to the twenty-five percent (25%) aggregate cap detailed above)
- Employer paid payroll taxes for qualifying employees, including SUI, FUI, FICA, Workers Comp
- Union fringe paid to qualifying employees

Note: Oklahoma goods must be purchased by production via a purchase order, a debit card (tied to production account) or petty cash (with date, name and address of vendor and items detailed in a petty cash log; the date, name of vendor and item must be included in the final Oklahoma expenditures ledger).

See **Glossary B** of What does not qualify as an Oklahoma Expenditure

Glossary A: Terms

- **Start of principal photography:** the declared date at which the production begins shooting principal photography for the film on location in Oklahoma
- **Push of production:** A change of the start of principal photography to a later date
- **Oklahoma Expenditures (Local Expenditures):** Taxable transactions in the state of Oklahoma that are deemed qualifying spend pursuant to the Guidelines and Instructions for Application dated July 23, 2014
- **Benchmark:** A deadline that must be met by the conditionally prequalified production in order to retain eligibility in the rebate queue
- **ATL (Above-the-Line):** Cast and crew members as defined by OF&MO, including director, producer, Schedule F SAG (or contract, run-of-show player) and writer
- **BTL (Below-the-Line):** All qualifying cast and crew that do not fall under the ATL category
- **Conditional Prequalification:** A conditional approval of a production’s application, in which the correlating fiscal year funds are approved for the production’s rebate, contingent on A) availability of funds, and B) the production meeting the eligibility requirements (as described in Section 1) and benchmarks (as described in Section 3B).
- **Oklahoma Resident:** a permanent resident of Oklahoma; must be domiciled in Oklahoma for at least 120 days prior to the Start of Principal Photography and be able to provide proof thereof
- **Oklahoma Expatriate:** an Oklahoman currently residing out-of-state
- **Rebate Queue:** the sequence of projects that are conditionally prequalified to utilize the Oklahoma Film Enhancement Rebate Program

Glossary B: What does NOT qualify as an Oklahoma expenditure

- **Postage** - not a taxable transaction
- **Wages paid as contract labor (1099 Forms)** - unable to track fringes and income tax
- **Online Purchases** - unless purchased from an Oklahoma business that is registered with the Oklahoma Secretary of State and/or headquartered in Oklahoma, online purchases do not qualify
- **Out-of-state BTL** - only wages paid to Oklahoma resident or Oklahoma expatriate BTL crew qualify as Oklahoma expenditures
- **Goods purchased through an Oklahoma Production Services Entity that are readily available in Oklahoma** - the production must document proof of at least three (3) unsuccessful attempts to rent or purchase from Oklahoma vendors (including explanations of why the good is unavailable) to be able to qualify the good as qualified spend. These attempts and explanations are documented on the Due Diligence (Form D).
- **Reimbursements paid directly to a person for Oklahoma goods** - Payments for goods must be paid to an Oklahoma company. If a crew member procures Oklahoma goods on behalf of the production company, the goods must be purchased via a purchase order, a debit card (tied to production account) or petty cash (with date, name and address of vendor and items detailed in a petty cash log; the date, name of vendor and item must be included in the final Oklahoma expenditures ledger).