

ARIZONA MOTION PICTURE PRODUCTION TAX CREDIT

CERTIFIED PUBLIC ACCOUNTANT STATEMENT REQUIREMENTS

The Arizona Motion Picture Production Program (the “Program”) (A.R.S. §§ 41-1517, 43-1082 and 43-1165) requires each Motion Picture Production Company (the “Taxpayer”) applying for Program tax credits to submit to the Arizona Commerce Authority (the “Authority”) an application for approval of tax credits upon completion of the Motion Picture Production. That application must include a statement completed by a Certified Public Accountant (“CPA”) in Arizona, specifically approved by the Authority, certifying the total amount of eligible Production Costs associated with the production. (See A.R.S. § 41-1517(H) and Arizona Motion Picture Production Program Rules and Guidelines (the “Program Rules”) §7(B) specifying the required CPA statement.)

The required review and statement must conform to the following requirements:

- 1.** A CPA licensed in Arizona approved by the Authority must conduct the review and certify the results.
- 2.** The review shall include a statement from the CPA that it has analyzed the financial records, information and documentation related to the Taxpayer’s application for Program tax credits to verify the Taxpayer’s eligible “Production Costs” (as defined by A.R.S. § 41-1517(O)(4) and Section 8(A)(15) of the Program Rules).
- 3.** The Taxpayer shall cause the CPA to prepare a report including the following information:
 - a.** The name and business address of the Taxpayer.
 - b.** The location(s) and description of any Qualified Production Facility used to produce the Motion Picture Production.
 - c.** If the Motion Picture Production was filmed primarily at a practical location, the location and description of any Qualified Production Facility in Arizona that performed all preproduction, postproduction and editing.
 - d.** The applicable period of production from when production began to completion of the Motion Picture Production (as defined in Sections 8(A)(2) and (6) of the Program Rules).
 - e.** Certification of the Taxpayer’s total Production Costs associated with the Motion Picture Production



- f. Certification of the Production Labor costs related to positions held by persons residing in Arizona and legally authorized to work in the U.S.
4. The CPA shall certify the information in the report is complete and accurate to the best knowledge of the CPA as of the date of the report and after reasonable effort to ascertain the information.
5. The information in the CPA's report must be identical to the information submitted in the Taxpayer's application for post-approval. If the report and other information contained in the application for post-approval are not identical, one or both may be rejected and require resubmittal once conformed.
6. The report shall include a description of the CPA's process and information reviewed to determine the completeness and accuracy of the contents and specifically a statement that the CPA has reviewed A.R.S. §§ 41-1517, 43-1082 and 43-1165 and the Program Rules.
7. The date of the report shall not precede the date of Completion of the Motion Picture Production.
8. The Authority may accept or reject the findings set forth in the report. In addition to reviewing the report, the Authority reserves the right to undertake all steps reasonably necessary, in the Authority's discretion, to verify Taxpayer's eligibility under the Program, including without limitation, requiring additional information and/or explanation from the CPA and/or from the Taxpayer.

Reference information:

All capitalized terms used herein and not otherwise defined have the meaning ascribed to them in the statutes and rules cited in this document.

[A.R.S. §41-1517 Arizona Motion Picture Production Program](#)

[Arizona Motion Picture Production Program Rules](#)

[ACA Electronic Application System - Motion Picture Production: CPA Approval Form](#)