

Tax Incentives

International Shootings

Spain offers tax incentives for international films and TV series which, in addition to the benefits offered by this country and its audiovisual industry, make it one of the most competitive destinations of the area.

The current applicable legislation in Spain is: Article 36.2 Law 27/2014 dated the 27th of November, on Corporation Tax 'Rebates for investments in film and series audiovisual productions, live performances and musical shows'. (Last updated on May 6, 2020)

In any case, these incentives are applicable to any Spanish producer registered on the Ministry of Culture and Sport's Film Company Register in charge of the foreign production. This means that the "service company" takes responsibility of the executive production and carries out the tax procedures needed to opt for the tax rebate.

General Incentives 30% - 25% Tax Rebate

- Foreign production types: Feature length films, television series, animated films and documentaries.
- Beneficiaries: Spanish companies registered in the Film and Audiovisual Arts Institute's.
- Minimum expense incurred in Spain: € 1 million / € 200.000 for pre-production and post-production expenses for animation and VFX made in Spanish territory.
- Maximum rebate limit: 10 million Euros.
- Rebate base: eligible expenses produced in Spain.
- Eligible expenses: creative staff with a registered address in the country or in another European Union member state, up to a maximum of €100,000 per person/technical or complementary service.

Procedure and Timing

- The refund must be applied by the Spanish company 'line service' during the month of July of the year after the end of filming.
- The right to request the Tax Rebate belongs to the Line Service. The timing for this request is the following fiscal year to the year of shooting. That is, when the Line Service fulfills the company income tax applications form, (July). E.G.: end of shooting in '17 – tax rebate will be requested in July '18.
- The refund of the Tax Rebate should be within the next six months after the submission of the company income tax application form. If there is a delay, financial interest will be accrued. E.G.: end of shooting in '17 – the tax rebate refund shall take place from January '19.
- Tax Rebate could be financed by a Spanish Bank.
- The law includes further details which are not listed here, so we do recommend you to read Article 36.2 in its entirety and the replies posted by the Inland Revenue Agency in response to binding queries.

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National Shootings and Coproductions

Spanish productions and international co-productions can gain access to tax credit on Corporation Tax once they have obtained their Spanish nationality and cultural certificates issued by the ICAA, and once a copy of the production has been deposited at the Spanish Film Archive or in a film library officially recognised in an Autonomous Community.

General Tax Regimen

The current applicable legislation in Spain is: Article 36.1. Law 27/2014 dated the 27th of November, on Corporation Tax. (Last updated on May 6, 2020). Tax Credit for investment in film and series audiovisual productions, live performances and musical shows. The laws which regulate these incentives can change every year, so it is worth finding out what, if any, aspects have changed, during the year you are making the investment. Summary of the article:

- Spanish investments in film and audiovisual production are often carried out via an EIG (Economic Interest Grouping) which is set up as the film's producer. These investments give the producer the right to a tax credit of 30% of the first million Euros, and 25% if the investment is higher, with a maximum of 10 million Euros per production.
- The base for the deduction is equal to the total production cost plus the cost of copies, advertising and promotion financed by the producer (with a 40% limit of the production cost).
- The law establishes a territorial requirement and 50% of the deduction base must correspond to the expenses incurred in Spain.
- It also specifies that the total tax incentive amount received must not exceed 50% of the production cost.
- In the case of a co-production, the amounts will be determined for each co-producer, according to their respective share-percentage of the co-production.

Procedure and Timing

- Once the film's nationality certificate has been obtained and the rest of the requirements have been fulfilled, the tax rebate can be applied for during the month of July in the year after the production end-date.
- The law includes further details which are not listed here, so we do recommend you to read Article 36.1 in its entirety as well as the replies posted by the Inland Revenue Agency in response to the binding queries.