



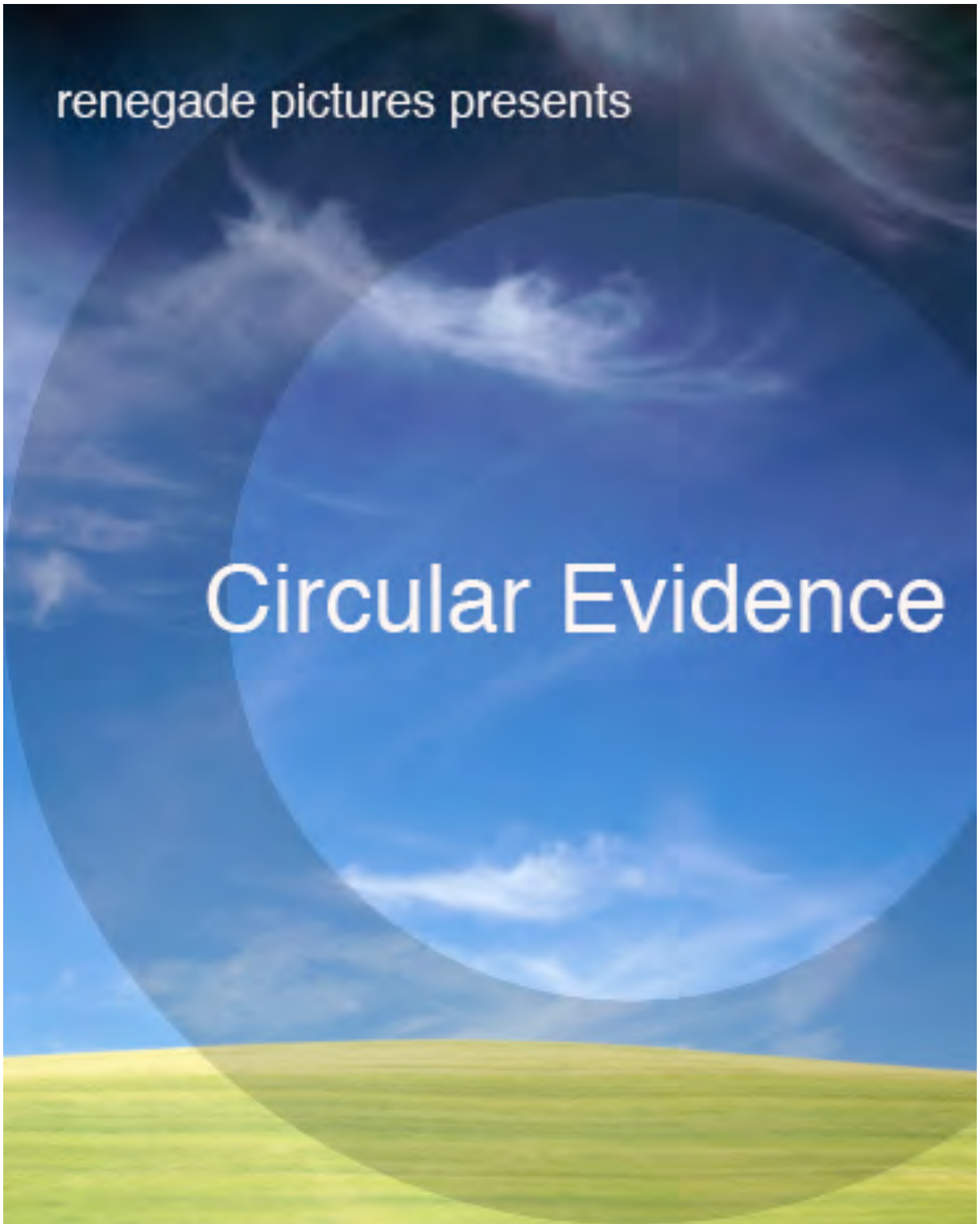
renegadepictures

## New Project

1/4/08

renegade pictures presents

# Circular Evidence



## Recent Projects

Two of Renegade Picture's recent projects include a documentary made for regional public television and our first feature film.

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### *Vanguard Nights*

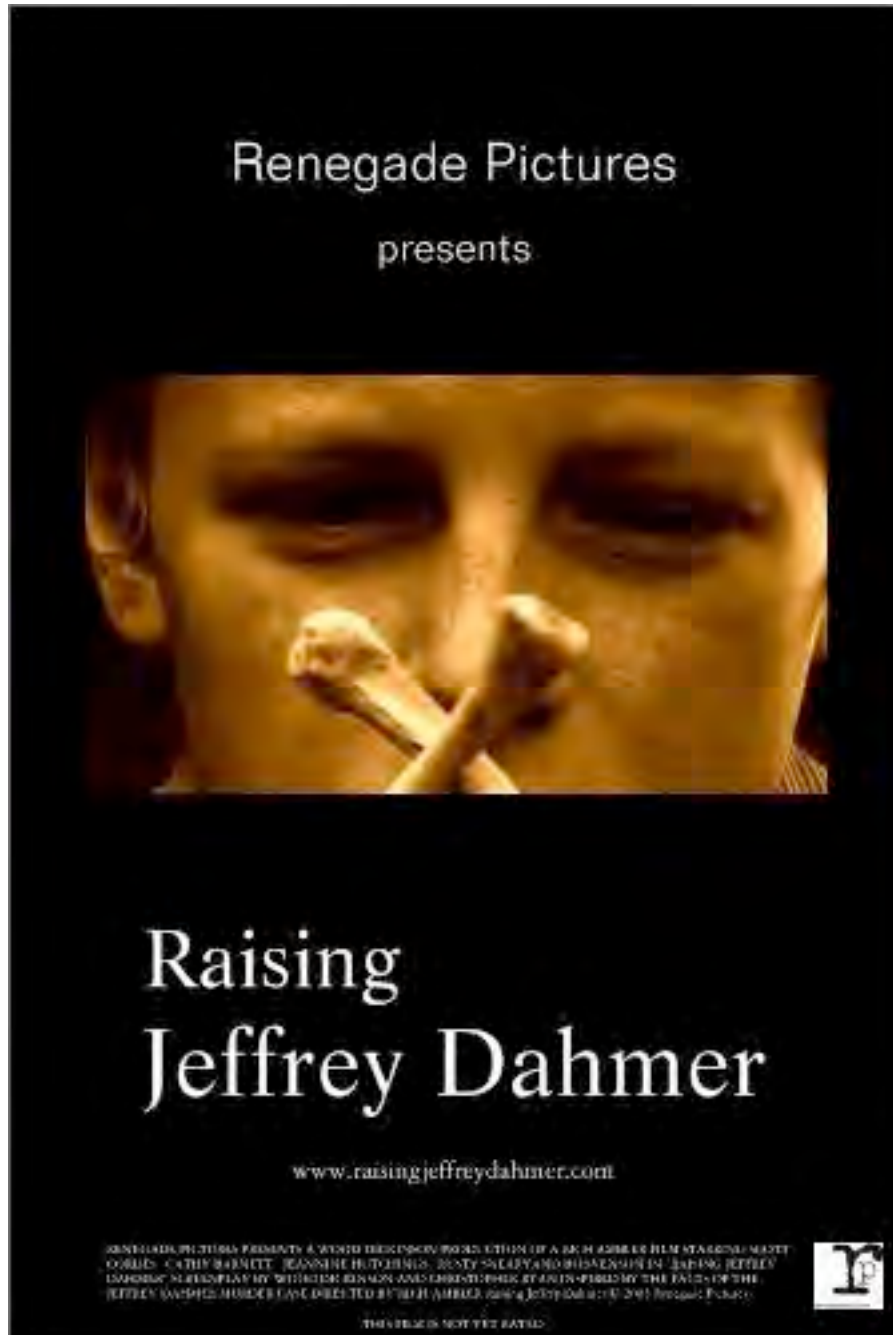
*Vanguard Nights* chronicles Kansas City legend Danny Cox in words and music. It has aired on PBS station throughout the mid-west.



Danny Cox

# *Raising Jeffrey Dahmer*

*Raising Jeffrey Dahmer* is Renegade's first feature film and screened April 13, 2006.



Raising Jeffrey Dahmer is being release in June 2008 by

**LIONSGATE**

# What's Next?

Project selection is very important to the potential success of a motion picture project. In selecting a project several factors are key:

1. Public interest in the subject.
2. Uniqueness of the project.
3. Selection of a project based on a well-known person or already successful property such as a book, play or short story.
4. Attachment of a known writer and/or director and star(s).

To this end, Renegade Pictures has signed an agreement with best selling author Colin Andrews to make a film about his life. Mr. Andrews is the worlds leading authority on the mysterious Crop Circle phenomenon. He started his research into this subject in 1985 after stumbling upon a formation. Mr. Andrews, a successful engineer working for the government of Great Britton, found his life changed forever. Over the course of the next few years he lost his marriage and then his country moving to the United States. A prominent and controversial figure in the Crop Circle world, Mr. Andrews has been an avid seeker of truth in a world where some want to believe in the circles like a religion and others believe all of it is a hoax.

Colin Andrews has received substantial funding from Laurence Rockefeller for his research and acted as a consultant to Hollywood on the movies such as *Signs*. Mr. Andrews offers a world-class figure embroiled in a fascinating phenomenon.

Since executing an option agreement on his life story we have received mail from around the world and been covered in the press both here and in England. All before we have even announced the project.

Colin Andrews is the author of the first book to be published on this topic which became a best seller around the world. The book Circular Evidence is not about Mr. Andrews life but the movie *Circular Evidence* will be. Using a similar approach to the project that was used in bringing *The Mothman Prophecies* to the screen, Renegade Pictures will use creative license to create a dramatic story.

# *Circular Evidence*

An original motion picture screenplay based on actual events

by

Wood Dickinson and Christopher Ryan

Colin Andrews is obsessed with crop circles, the often intricate designs that appear seemingly by magic in farmers' fields around the world. His single-minded attempt to understand how and why crop circles occur costs him a marriage, his career in engineering and his standing as a sane member of society. He is humiliated in the media by "artists" who show how the circles can be faked and relegated to the fringe world of UFO enthusiasts and conspiracy theorists

Yet he remains unbowed. Trusting in the scientific method, he studies crop circles and concludes that many are, indeed, fakes but that a significant number cannot be explained by human activity. Further, he has his own mysterious experience to think of – a design he has dreamed taking shape in a field he has designated. It's proof only to him that the circles have a deeper meaning, but it's enough to keep him on his quest.

That quest changes over time from a search for scientifically relevant evidence concerning the "how" of crop circles to a focus on the "why." And for the "why," Colin has a theory: Some power, perhaps the earth itself, is speaking to us in a striking, symbolic language. It is our responsibility – perhaps our salvation – to understand the message.

To support his theory, Colin enlists the help of people from around the world, including a reclusive native tribe in South America and the very individuals who have contributed to his difficulties by faking circles. He asks a question that has occurred to no one else, "Why would so many people take the considerable time and effort to create these impressively difficult designs?" The cost in labor far outweighs the rewards for making such ephemeral "art." The fakers themselves can't explain their need to create the circles. Are they merely part of a larger pattern?

*Circular Evidence* is a spiritual journey that leads to surprising conclusions with worldwide impact. Along the way, Colin Andrews experiences the worst and the best in human nature. He struggles with the need to understand and the desire to escape the inevitable pain and humiliation. In the end, we discover how an imperfect human being can find the courage – and the humility – to explore important questions that most people are too afraid or too proud to ask.

# Next Step

## *Circular Evidence*

The next step is to begin development of *Circular Evidence* and that process has begun. Rights have been optioned and the project is moving ahead slowly. With proper capitalization of the development cycle we could attach a writer and researchers to the project and have the film ready for preproduction in six months.

An added bonus is Colin Andrews has just signed a new book deal with Penguin Books for a book about the coming of 2012. This plays very nicely into this film project.

The budget on the film should be in the \$2,000,000 range. This allows attachment of a known writer(s) and key actors and director.

# Moving Forward

To create a successful motion picture property several steps must be taken.

1. Investment of the \$300,000 for development funds.
2. Property development concurrent with funding the additional budget necessary to produce the property.
3. Funding of the \$2,000,000 budget for the film.

Development would take six months. Preproduction would begin immediately after and last for two months with production taking up to six weeks.

Postproduction could take up to six months.

# Action Plan

Renegade Pictures wants you to participate. What is needed is an investment of \$300,000 into these films now and confirmation of the additional monies to make Production. The projects will be taken to Cinetic Media to obtain a guarantee of finishing funds and film sales contracts.

The \$300,000 investment will be 100% at risk. It will be paid back with 18% interest when the budget funds are secured. It will go under the budget line of 'development' in each films budget.

Participation in the total production budget of \$3,000,000 would present very tangible tax benefits if you pay any taxes in the USA.

# APENDIX



# Business Plan 2008

Circular Evidence

## Executive Summary

Renegade Pictures is a motion picture production company seeking funds for the financing of feature film projects. Founder Wood Dickinson has worked in the motion picture business for 20 years and recently sold the feature film “Raising Jeffrey Dahmer” being released through Lionsgate.

## Objectives

Our most important business objectives are:

1. Obtain development funds for film development
2. Attach writer, actor and director as needed
3. Put financing contracts in place for development, preproduction, and production
4. Obtain finishing funds and films sales through Cinetic Media
5. Obtain as much product placement advertising as possible
6. Create the film web site

## Mission

It is the mission of Renegade Pictures to create an environment friendly to the creative and business efforts of those involved. A place where new ways of doing things is cherished and energy rules the day. It is the mission of Renegade Pictures to both make feature films that uplift the human spirit, examine the human condition, and are a reflection of true principles and capitalize on any entertainment or arts project that would benefit the members and enrich the core company.

## **Keys to Success**

1. Obtaining development funds
2. Attachment of talent (writer, actor, director, etc)
3. Commitment of pre/production funding
4. Commitment of finishing funds
5. Commitment to sell for distribution

## **Roles**

**Wood Dickinson** will act as producer on the films working on creative aspects of the project and liaison with producer's representative and assist on funding issues.

**Christopher Ryan** will co-write the screenplay.

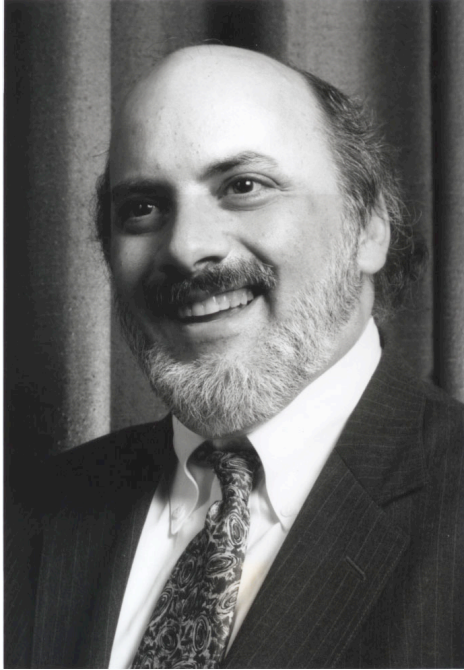
## **Needed staff**

1. Executive producer – for business issues (legal)
2. Lawyer (specific to entertainment law)
3. Accounting
4. Associate producer(s) to manage details relating to all production needs including creation of deliverable items and working with distributor
5. Assistants to producers

## **Action Plan**

When the development funds are in place here's what needs funding:

1. Partial payment of producers fees
2. Original writer(s) receives partial payment of writers fee(s)
3. Identify the Executive producer and pay partial fee
4. Attach writer for rewrite (writing) and start the process
5. Attach a director
6. Attach actor(s)



## **Wood Dickinson**

Producer

Currently Wood Dickinson is the producer and co-founder of the Kansas City based feature film production company, Renegade Pictures, LLC.

Prior to taking on this challenge Wood spent 20 years working for then helming Dickinson Theatres, a Midwest based motion picture exhibition company founded by his grandfather in 1920.

When Dickinson took over Dickinson Theatres, the organization faced the same challenge as the rest of the industry...an over-abundance of movie screens, especially in major metro markets such as Kansas City. Part of Dickinson's reign at Dickinson Theatres included steering the company through a major reorganization in 1998. Dickinson employed the principles from the "7 Habits" to create a new principle-centered organization founded on trust and open communication. The right combination of downsizing in the corporate office and scaling back operations throughout the company put the company back on a growth track. His efforts to reinvent his company were profiled in [Living the 7 Habits](#) by Stephen R. Covey, 1999. In September 2000, he sold his interest in Dickinson Theatres to a group of top Dickinson executives

Dickinson graduated from Texas Christian University with a Bachelor of Fine Arts in Communications and a Master of Arts in Film. Wood, his wife Patti, and their eight children enjoy Scouting, tennis, sailing and family togetherness. He is also a published poet and an accomplished photographer.

# Film Comparatives



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## THE MOTHMAN PROPHECIES (UNITED STATES HISTORY)

SONY PICTURES, 2002  
 U.S. Cumulative  
 \$35,228,696

Week	Date Range <small>Click for full weekly BO</small>	# of engagements	Avg per eng.	% change in BO	Rank	Weekly Box Office	Running Total
1	<a href="#">1/25-1/31/2002</a>	2,331	\$5,945		6	\$13,857,629	\$13,857,629
2	<a href="#">2/1-2/7/2002</a>	2,331	\$3,979	-33%	6	\$9,273,939	\$23,131,568
3	<a href="#">2/8-2/14/2002</a>	2,275	\$2,791	-32%	10	\$6,349,832	\$29,481,400
4	<a href="#">2/15-2/21/2002</a>	1,410	\$2,485	-45%	18	\$3,504,085	\$32,985,485
5	<a href="#">2/22-2/28/2002</a>	818	\$1,616	-62%	21	\$1,321,583	\$34,307,068
6	<a href="#">3/1-3/7/2002</a>	524	\$1,231	-51%	25	\$645,088	\$34,952,156
7	<a href="#">3/8-3/14/2002</a>	273	\$833	-65%	38	\$227,536	\$35,179,692
8	<a href="#">3/15-3/21/2002</a>	66	\$742	-78%	53	\$49,004	\$35,228,696

[Read Variety's review of THE MOTHMAN PROPHECIES](#)  
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\* Running Total may not add up to cumulative result.





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• Have box office news delivered by email

Choose another date:

OR

Search Film Title:

Domestic data is complete after March 1994. [Read full details.](#)

## DREAMCATCHER (UNITED STATES HISTORY)

WARNER BROS., 2003

U.S. Cumulative

\$33,700,070

Week	Date Range	Click for full weekly BO	# of engagements	Avg per eng.	% change in BO	Rank	Weekly Box Office	Running Total
1	3/21-3/27/2003			2,945	\$6,453	0	\$19,003,453	\$19,003,453
2	3/28-4/3/2003			2,945	\$2,892	-55%	\$8,517,318	\$27,520,771
3	4/4-4/10/2003			2,360	\$1,502	-58%	\$3,543,540	\$31,064,311
4	4/11-4/17/2003			1,401	\$1,063	-58%	\$1,488,902	\$32,553,213
5	4/18-4/24/2003			563	\$1,168	-56%	\$657,681	\$33,210,894
6	4/25-5/1/2003			196	\$814	-76%	\$159,547	\$33,370,441
7	5/2-5/8/2003			241	\$748	13%	\$180,156	\$33,550,597
8	5/9-5/15/2003			175	\$583	-43%	\$102,037	\$33,652,634
9	5/16-5/22/2003			105	\$452	-54%	\$47,436	\$33,700,070

Read Variety's review of DREAMCATCHER

Search Variety archives for "DREAMCATCHER"

View DREAMCATCHER'S B.O. history in other markets

Click to report questions or problems

Source: EDI FilmSource

\* Running Total may not add up to cumulative result.

Box office results in millions of \$

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# Tax Information

# TAX INFO SUMMARY

## **H.R.4520**

**Title:** To amend the Internal Revenue Code of 1986 to remove impediments in such Code and make our manufacturing, service, and high-technology businesses and workers more competitive and productive both at home and abroad.

**Sponsor:** [Rep Thomas, William M.](#) [CA-22] (introduced 6/4/2004)  
[Cosponsors](#) (40)

### **Related Bills:**

[H.RES.681](#), [H.RES.830](#), [H.R.2896](#), [H.R.5395](#), [S.1637](#), [S.3019](#)

**Latest Major Action:** Became Public Law No: 108-357 [GPO:  
[Text](#), [PDF](#)]

**House Reports:** [108-548](#) Part 1; Latest Conference Report: [108-755](#)  
(in Congressional Record [H8411-8640](#))

Jump to: [Summary](#), [Major Actions](#), [All Actions](#), [Titles](#), [Cosponsors](#),  
[Committees](#), [Related Bill Details](#), [Amendments](#), [Summary](#)

## **SUMMARY AS OF:**

10/22/2004--Public Law. (There are 5 [other summaries](#))

Sec. 244) Allows an election until 2009 to expense qualified film or television production costs up to \$15 million (\$20 million for costs incurred in certain low-income or distressed areas).

Defines "qualified production activities income" as the excess (if any) of domestic production gross receipts over the sum of the cost of goods sold allocable to such receipts, other deductions, expenses, or losses directly allocable to such receipts, and a ratable portion of other deductions, expenses, and losses that are not directly allocable to such receipts or another class of income. Includes within the definition of domestic production gross receipts qualifying production property (i.e., tangible personal property, any computer software, and certain sound recordings), any qualified film produced by the taxpayer, electricity, natural gas, or potable water produced by the taxpayer in the United States, construction performed in the United States, or engineering or architectural services for projects in the United States, but excludes the sale of certain food and beverages sold at retail and the transmission or distribution of electricity, natural gas, or potable water.

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## **The Domestic Film Production Incentive Program Contained in the 2004 JOBS Act**

New Section 181 of the Internal Revenue Code

A Brief Guide to the Tax Provision

***Qualifying Film Expenses Immediately Deductible.*** Investors in qualifying film and television productions may elect to immediately deduct the cost of qualifying film expenditures in the year the expenditure occurs.

- Qualified film and television productions<sup>1</sup> include any production of a motion picture (whether released theatrically or directly to video cassette or any other format); miniseries; scripted, dramatic television episode; or movie of the week. Only the first 44 episodes, including the pilot production, of a scripted dramatic series would be eligible under this Act.
- In the case of a film co-produced by multiple investors, the deduction for qualifying expenditures must be allocated among the owners of the film in a manner that reasonably reflects each owner's proportionate investment and economic interest in the film.
- Qualified films do not include sexually explicit productions as defined in section 2257 of title 18 of the U.S. Code.

***Qualifying Expenses Generally Capped at \$15 million.*** The proposal applies only to qualifying film or television productions the aggregate cost of which does not exceed \$15 million.

- The \$15 million cap applies to each individual episode of the 44 episodes, including the pilot production, of a scripted dramatic series that are eligible under this Act.<sup>2</sup>
- A higher expenditure cap of \$20 million applies to productions the aggregate costs of which are "significantly incurred" in: a) areas eligible for designation as a low-income community under the New Markets Tax Credit program,<sup>3</sup> or b) areas eligible for designation by the Delta Regional Authority as a distressed county or isolated area of distress.

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<sup>1</sup> Productions described in section 168(f)(3) of the Internal Revenue Code

<sup>2</sup> While a recent Joint Tax Committee explanation of the 2004 legislation supports this per episode application of the cap, this still must be clarified in technical corrections legislation that the tax writing committee chairmen will soon introduce.

<sup>3</sup> As defined in section 45A of the Internal Revenue Code.

- As defined by the New Markets Tax Credit program, qualifying low-income communities include any census tract if (a) the poverty rate for such tracts is at least 20 percent; or (b) (1) in the case of census tracts not located with a metropolitan area, the median family income for
- the tract does not exceed 80% of statewide median family income, or (2) in the case of a tract located with a metropolitan area, the median family income for the tract does not exceed 80% of the greater of statewide median family income or the metropolitan area median family income. A list of qualifying areas can be found at: <http://www.cdfifund.gov/mapping/mapping.asp>
- A list of areas eligible under the Delta Regional Authority statute as distressed counties or isolated areas of distress can be found at: [http://www.dra.gov/dra\\_coverage\\_map.html](http://www.dra.gov/dra_coverage_map.html)

***Qualifying Compensation Rule.*** To qualify, at least 75 percent of the total compensation expended on the production must be for services performed in the United States.

- Qualifying compensation includes payments for services performed in the United States by actors, directors, producers, and other relevant production personnel. Compensation does not include participations and residuals.<sup>4</sup>

***Tax Benefit Duration.*** This new domestic film production incentive program will be in effect for qualifying productions commencing after 22 October 2004 and before 1 January 2009.

***Legislative Note.*** The provisions of the JOBS Act were signed into law by President Bush on 22 October 2004. While the production incentives portion of the law became fully useable as of that date, certain issues have arisen that require further clarification by Congress and the Treasury Department. The Joint Tax Committee issued its clarifications on 31 May. These are reflected in the forgoing material. Still to come are a “technical corrections” bill that the chairmen of the House Ways and Means and Senate Finance Committee will soon introduce, and regulatory guidance that the Department of Treasury and the Internal Revenue Service will release.

**THIS HANDOUT IS FOR INFORMATIONAL PURPOSES ONLY AND SHOULD NOT BE VIEWED AS TAX ADVICE WITH RESPECT TO YOUR PRODUCTION ACTIVITIES. FOR SUCH ADVICE, YOU SHOULD CONSULT WITH YOUR TAX ADVISOR.**

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<sup>4</sup> As defined in section 167(g)(7(B) of the Internal Revenue Code

## **2004 JOBS Act Production Incentives Frequently Asked Questions**

**(1) Q: When do productions need to commence to qualify for the new incentive?**

A: The incentive is available for qualified productions commencing after October 22, 2004, and before January 1, 2009.

**(2) Q: If a film has started production before and continues through October 22, 2004 can it qualify for this tax incentive?**

A: No, only productions **commencing after** October 22, 2004, and before January 1, 2009 can qualify.

**(3) Q: Can the immediate write-offs be taken in more than one year?**

A: Yes, if an election is made to use the incentive, the immediate deduction takes place in the year the expenditure is incurred. Therefore, if production expenditures are incurred in more than one year, the immediate tax deduction will be taken in more than one year.

**(4) Q: When, where, and how does the “election” to immediately deduct the qualifying expenditures apply?**

A: The election is to be made on the tax return for the taxable year in which the production costs are first incurred. The election must be made by the due date (including extensions of time) of such return. The manner and form of the election will be determined by the IRS at a later date.

**(5) Q: Does it apply to all productions (e.g., big budget productions)?**

A: No, the immediate write-off provision does not apply to productions whose aggregate cost exceeds \$15 million (\$20 million in the case of productions in certain low-income and eligible areas of the country). However, all productions including those below and in excess of \$15 million (\$20 million) have other new potential incentives including a new 9% tax deduction for U.S. production activities.

**(6) Q: What is the real benefit of this incentive?**

A: This is a significant new Federal tax incentive that allows producers of qualifying productions to take a tax deduction for the full costs of a production in the year the cost is incurred (as opposed to having to spread or amortize those costs over a period of years). Deducting the costs up front, while deferring the income from the films until later years when it is incurred will significantly reduce or eliminate taxable income for the film in the early years of exploitation.

**(7) Q: How do I determine if it is beneficial to my production?**

A: Since the new incentive is elective, producers can run numbers both with and without the new incentive and determine whether or not to elect to immediately expense the production costs in the first year(s).

**(8) Q: What tax form do I need to fill out to get the incentive?**

A: Currently, there is no specific form to fill out. The IRS is expected to issue further guidance on the incentive. In the absence of specific guidance, the legislative history states that: "deducting qualifying costs on the appropriate tax return shall constitute a valid election." Therefore, deducting the production costs (that would otherwise be capitalized) on your tax return will qualify as electing to take advantage of this incentive.

**(9) Q: Is the incentive transferable?**

A: No. However, different entity structures such as limited liability corporations, partnerships, and others, should be considered to properly allocate costs that could be immediately expensed.

**(10) Q: What happens in the case of a co-production or a film financed by multiple investors?**

A: The \$15 million (\$20 million) threshold refers to the qualifying film. Thus, a qualifying film that is co-produced must in total come under the threshold. The benefits of the provision must be allocated among the owners of a film in a manner that reasonably reflects each owner's proportionate investment in and economic interest in the film.

**(11) What is considered "aggregate costs" to determine if my aggregate production costs exceed the \$15 million (\$20 million) threshold?**

A: The determination of what costs are included in the calculation of the threshold is not specifically addressed in the legislation. These costs should be the costs that would otherwise be capitalized and amortized as part of the production. IRS guidance in the form of Notices or regulations may help clarify this issue.

**(12) In order to qualify for the higher (\$20 million) threshold what does it mean to require that a "significant" amount of the expenditures be incurred in an eligible area?**

A: The term "significant" is not defined in the new statute, but for Federal tax purposes, it can have a number of meanings. Typically, it means that over 50% of the expenditures would have to be incurred in the eligible area. This is another issue that may be subject to further clarification by IRS guidance.

**(13) How will other practical issues related to this new incentive be determined?**

A: Like other tax issues, producers should consult with their professional tax advisors on any issues related to this new Federal tax incentive. It is expected that the Treasury Department and the IRS will issue guidance to further interpret the statute.

This guidance may come in the form of Notices and Regulations. A number of groups that worked on this important legislative change are expected to continue working with the Treasury Department and the IRS to ensure the incentive fulfills its objective and provides the industry with meaningful tax relief.

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