

## Film Tax Relief

### Summary of Tax Credit Claims: 2006-07 to 2010-11

The new film tax relief was introduced in January 2007 to promote the sustainable production of British films. This summary of the take-up, cost and delivery of the relief covers the whole period of operation up to the end of 2010 -11. It is based on information received by 31 May 2011 about claims received and payments made<sup>1</sup>.

#### *Headline figures*

- **760 film productions have become eligible to claim the new film tax relief** since its inception.
- **Of these, 650 film productions have made 1080 claims, for a total £645million.** So far 955 claims by 585 films have received payments totalling £570million.
- **96% of the payments were made within 6 months** of receiving the claim.

#### *Qualifying Films*

- Total production expenditure by films claiming the relief was £5.0 billion, of which 75% was incurred in the UK.
- Production expenditure on large-budget films averaged £82.9million per film, and £2.5million for limited-budget films.

#### *Claims and payments*

- 330 films made just one claim, and 315 made two or more, covering different accounting periods.
- 100 claims, or 9%, were made by large-budget films (those with production budgets of £20m+), 980 were made by limited-budget films.
- Claims by large-budget films totalled £390million. Claims by limited-budget films totalled £255million.
- Payments to large-budget films totalled £340million, and to limited-budget films, £230million. (£105m paid in 2007-08, £145m in 2008-09, £125m in 2009-10 and £200m in 2010-11).
- Tax credit payments to large-budget films averaged £3.7 million per claim, and to limited-budget films, £0.3 million.

#### *Timing of claims and payments*

- 57% of tax returns with a claim for film tax relief were filed within 6 months of their accounting period end, this proportion reaching 86% for 2010 -11.
- Of the 955 payments made, 32% were made within one month of HMRC receiving the return, 78% within two months, and 96% within 6 months.

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<sup>1</sup> Claims analysis relates to claims made in respect of Accounting Periods ended by 31 March 2011. Payments analysis relates to payments of these claims made by 31 March 2011. Figures have been rounded: to the nearest 5; or £5m; or £0.1m.