

Soundstage Filming Tax Credit Program

Soundstage Certification CPA Verification Checklist

The California Soundstage Filming Tax Credit Program, California Code of Regulations, Title 10, Chapter 7.75, Article 4, Section **5532. Studio Construction Project Certification – Phase A**, subdivision (c)(4) requires the applicant to provide a third-party Certified Studio Construction Project Verification Report performed by a CPA firm. The CPA firm must meet the requirements specified in Section 5532, subdivision (c)(4)(B). The following is a checklist of items to be evaluated and verified by the CPA firm for the studio construction project to meet the requirements of Sections 17053.98(k)(2)(A), 23698(k)(2)(A), and 17053.99 of the Revenue and Taxation Code.

1. All contractors and subcontractors performing construction work on the soundstage(s) used a skilled and trained workforce, in accordance with Revenue and Taxation Code Section 17053.99, subdivision (b). This does not apply if all contractors and subcontractors performing work on the project are subject to a project labor agreement, as defined in the Public Contract Code, Section 2500(b)(1), that requires compliance with the skilled and trained workforce requirement and provides for enforcement of that obligation through an arbitration procedure.
2. Minimum Eligible Capital Investment amount for actual construction or renovation expenditures of twenty-five million dollars (\$25,000,000) made over not more than 5 continuous calendar years.
3. Minimum expenditures on capital improvements no less than \$750,000 for a soundstage or if more than 1 soundstage, average no less than \$500,000 per soundstage.
4. Actual construction or renovation expenditures for soundstages, not including ancillary buildings, must be at least 70% of the total spend for the construction project.

5. The construction or renovation of each certified studio construction project commences pursuant to a foundation permit or a structural building permit for the construction or renovation that is issued after the effective date of July 21, 2021.
6. The soundstage entity did not receive a [California Competes](#) Grant under Section 12096.6 of the Government Code for wages or investment related to construction of the studio construction project.
7. The soundstage is a building that is purpose-built, renovated, or converted for film, television and/or media production in California and has a minimum of 10,000 square feet of floor space, incorporates a permanent grid, and is column-free with a clear height of at least 20 feet under the permanent grid. Ancillary buildings purpose-built, renovated, or converted including, but not limited to, accompanying production office space, mill space, workshops, and property or wardrobe storage, are part of the soundstage as long as at least one soundstage, as defined above, is also built, renovated, or converted, the space is production-related, and the ancillary buildings are on contiguous property to the soundstage.

For further inquiries, please email SoundstageIncentive@film.ca.gov.