

CREATIVE INDUSTRY TAX INCENTIVES 2025

- Creative Industry Tax Incentive Claims
- Production Accounting (specific areas)
- Production Audits
- Production cashflows and forecasts
- BFI Cultural Test Applications
- Company Formations
- Tax and VAT
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- Production Payrolls
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Independent Film Tax Credit

Lower of

Total Core Expenditure*	£5,000,000
80% of Total Core Expenditure	£4,000,000
and	
UK Core Expenditure	£5,000,000
UK Core as a % of Total Core	100%
Lower of the above	£4,000,000

Core Expenditure

Independent Film Tax Credit @ 53%	£2,120,000
UK Corporation Tax amount of 25%	-£530,000
Cash Rebate	£1,590,000
Actual Relief	40%
As a Percentage of Total Core Expenditure	31.8%

Criteria

Only films are eligible.

Only for film productions with core expenditure under £23.5m.

Must have one of the following: UK writer, UK director or be certified as an official UK co-production.

Qualifying productions must have started principal photography on or after 1 Apr 2024.

*£5,000,000 is an amount used for illustrative purposes only

Audio Visual Expenditure Credit (AVEC)

Lower of

Total Core Expenditure*	£5,000,000
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80% of Total Core Expenditure	£4,000,000
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and

UK Core Expenditure	£5,000,000
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UK Core as a % of Total Core	100%
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Lower of the above	£4,000,000
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Core Expenditure

AVEC for film or TV @ 34%	£1,360,000
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UK Corporation Tax amount of 25%	-£340,000
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Cash Rebate	£1,020,000
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As a Percentage of Lower Amount	25.5%
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As a Percentage of Total Core Expenditure	20.4%
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Criteria

Film productions must have an Intention for Theatrical release.

TV projects must have an intention for Broadcast.

No Minimum spend for Film Projects.

TV projects minimum spend £1M per 60 Minute episode.

Minimum length per episode 20 Minutes.

*£5,000,000 is an amount used for illustrative purposes only

Animation or Children's TV under AVEC

Lower of

Total Core Expenditure*	£5,000,000
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80% of Total Core Expenditure	£4,000,000
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and

UK Core Expenditure	£5,000,000
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UK Core as a % of Total Core	100%
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Lower of the above	£4,000,000
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Core Expenditure

AVEC for Animation or Children's TV @ 39%	£1,560,000
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UK Corporation Tax amount of 25%	-£390,000
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Cash Rebate	£1,170,000
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As a Percentage of Lower Amount	29.25%
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As a Percentage of Total Core Expenditure	23.4%
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Criteria

Animation: The Core Expenditure on the completed animation constitutes at least 50% of the Total Core Expenditure.

Children's TV: A children's programme is one where it is reasonable to expect that the persons who will make up the programme's primary audience will be under the age of 15.

*£5,000,000 is an amount used for illustrative purposes only

Creative Industry Tax Relief

Lower of

Total Core Expenditure*	£5,000,000
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80% of Total Core Expenditure	£4,000,000
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and

UK Core Expenditure	£5,000,000
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UK Core as a % of Total Core	100%
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Lower of the above	£4,000,000
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Core Expenditure

Creative Industry Tax Relief @ 25%

Cash Rebate	£1,000,000
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Actual Relief	25%
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As a Percentage of Total Core Expenditure	20%
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Criteria

Eligible for Film, High End TV (HETV), Children's TV & Animation productions.

For HETV production minimum spend must be at least £1m per 60 Minute episode.

Minimum length per episode 30 Minutes.

*£5,000,000 is an amount used for illustrative purposes only

Visual Effects Tax Credit(VFX)

UK Core VFX expenditure	£1,000,000
UK core as a % of Total core	100%
VFX spend	£1,000,000
VFX Tax credit @ 39%	£390,000
UK Corporation Tax amount of 25%	-£97,500
Cash Rebate	£292,500
As a percentage of total VFX spend	29.25%

Criteria

Visual effects is work consisting of the use of computer technology to create or alter images for the inclusion in the film or programme.

Claims can only be made for the completion period of a production, with a final BFI Certification.

Companies must provide BFI with evidence of their VFX-related costs and details of the VFX providers involved.

Productions claiming the Independent Film Tax Credit (IFTTC) or AVEC for Children TV & Animation cannot claim the additional VFX tax relief.

KEY ELIGIBILITY

All incentives require the following:

- Must operate within a UK Limited Company
- At least 10% of Core Expenditure is used or consumed with the UK

Must have either one of the following BFI Certifications:

- Cultural test Interim Certification
- Cultural test Final Certification
- Certification as an official UK co-production

Qualifying Productions distribution intentions

Film Productions must be intended for Theatrical Release.

TV Productions must be intended for Broadcast.

Eligible Expenditure

Only Expenditure that is incurred within the following areas of production is allowable:

- Pre-production
- Principle Photography
- Post-production

All Expenditure incurred in development, distribution or other non-production activities is not allowable under the tax incentives.

All Expenditure included in tax incentive claims must have been paid within 4 months of the accounting period end.

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