



Sales Tax Exemptions for Purchases for Use in Audio or Video Production

Purpose: This Policy Statement describes the sales tax exemptions for certain materials and equipment purchased or leased for use in creating audio or video productions.

This Policy Statement does not address the exemption for filmed and taped television and radio programs and materials which become an ingredient or component part of films or tapes which are used directly in the production and transmission of finished programs for purposes of accredited medical or surgical training, including any equipment; or the exemption for equipment used directly in the production or broadcast of programs to the general public by a television or radio station, including antennas.

Effective Date: Effective upon issuance.

Statutory Authority: Conn. Gen. Stat. §12-412(44)(A)(i) and (B).

Description of the Exemptions: The statute exempts from sales tax certain materials used in creating audio or video productions. The sale of material used as the recording media of finished programs for broadcast, including such materials used to produce feature films intended for theaters, is exempt.

The statute also exempts sales and rentals of certain equipment used in creating audio or video productions. This exemption applies to motion picture equipment, video production equipment, or sound recording equipment used in producing master copies of audio or video productions.

Items Qualifying for Exemption:

- The medium on which recording of an audio or video production takes place;
- Filmed and taped television and radio programs;

- Film or video recording equipment, including but not limited to cameras, lenses, camera mounts such as tripods, jib arms, steadicams, and helicopter mounts;
- Cranes, dollies, dolly tracks, generators;
- Video assists;
- Videotape recorders;
- Cables and connectors;
- Teleprompters;
- Production lighting systems, including studio lighting grids;
- Grip and lighting equipment; including booms, cables, and connectors;
- Sound recording equipment;
- Processing, editing, and previewing equipment;
- Digital audio and video effect equipment; **and**
- On-set effects equipment, such as smoke machines and wind machines.

Items That Do NOT Qualify for Exemption:

- Materials used in creating productions meant for distribution other than in theaters or by broadcast, such as for distribution on the Internet, as multimedia software, for immediate sale as videos or DVDs, or intended as “extras” to accompany films sold on DVDs;
- Equipment or materials used to create graphics for video or game boxes;
- Wardrobe and makeup;
- Sets;
- Props;
- Motor vehicles including grip trucks, aircraft, or vessels;
- Tools and supplies used to maintain production or broadcasting equipment;
- Improvements to realty;

- Consumable supplies (expendables), such as items used to change the quality of light or sound during the shooting of the film or the recording of the video or audio, gaffer's tape, batteries, as well as gloves for handling negatives and chemicals used in developing film;
- Items used in administration, general management, or any other activity which does not constitute the production of master tapes, records, videotapes, or film produced for commercial entertainment, commercial advertising, or commercial educational purposes;
- Services. For example, maintenance or repair services for production equipment; computer and data processing services, such as subscriptions to the Internet and the creation of custom software; janitorial services; and personnel services. Providers of such services must collect tax on their charges and may not make exempt purchases under Conn. Gen. Stat. §12-412(44);
- Real property, including fixtures and soundproofing for studios. For example, construction materials purchased to build a new studio do not qualify for exemption;
- Repair or replacement parts for equipment, the purchase of which is exempt from sales and use taxes under Conn. Gen. Stat. §12-412(44); **and**
- Gas, heating fuel, or electricity.

Statutory Provisions:

Subdivision (i) of Conn. Gen. Stat. §12-412(44)(A) exempts:

Sales of and the storage, use, or other consumption of any filmed and taped television and radio programs and any materials which become an ingredient or component part of films or tapes which are used directly in the production and transmission of finished programs...(i) broadcast to the general public by a television or radio station.

Subparagraph (B) of Conn. Gen. Stat. §12-412(44) exempts:

Sales of and the storage, use, rental, lease, or other consumption of any motion picture or video production equipment or sound recording equipment purchased or leased for use in this state for production activities which become an ingredient or component part of any master tapes, records, videotapes, or film produced for commercial entertainment, commercial advertising or commercial educational purposes.

Effect on Other Documents: None affected.

Effect of This Document: A Policy Statement explains in depth a current Department of Revenue Services (DRS) position, policy, or practice affecting the tax liability of taxpayers.

For Further Information: Call DRS during business hours, Monday through Friday:

- **1-800-382-9463** (Connecticut calls outside the Greater Hartford calling area only); **or**
- **860-297-5962** (from anywhere)

TTY, TDD, and Text Telephone users only may transmit inquiries anytime by calling 860-297-4911.

Forms and Publications: Forms and publications are available anytime by:

- **Internet:** Visit the DRS Web site at www.ct.gov/DRS to download and print Connecticut tax forms; **or**
 - **Telephone:** Call **1-800-382-9463** (Connecticut calls outside the Greater Hartford calling area only) and select **Option 2** from a touch-tone phone, or call **860-297-4753** (from anywhere).
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Paperless Filing/Payment Methods (fast, easy, free, and confidential):

- **For business returns:** Use *Fast-File* to file sales and use taxes, business use tax, room occupancy tax, estimated corporation business tax, business entity tax, attorney occupational tax, nursing home provider fee, admissions and dues tax, or withholding tax returns over the Internet. Visit the DRS Web site at www.ct.gov/DRS and click on *File/Register OnLine*.
- **For payment of business taxes other than those listed above:** Use *Fast-File* to pay your business taxes over the Internet or by phone. Visit the DRS Web site at www.ct.gov/DRS and click on *Electronic Services* for a list of eligible taxes. The ACH debit method is used to make the transfer. No preregistration is required.
- **For resident income tax returns:** Use *WebFile* to file personal income tax returns over the Internet. Visit the DRS Web site at www.ct.gov/DRS and click on *File/Register OnLine*.

- **For electronic filing of income tax extensions, estimated payments, and for electronic bill payments:** Use *WebFile* to electronically file personal income tax returns over the Internet. You can also use *WebFile* to make an electronic income tax payment for a prior year. Visit the DRS Web site at www.ct.gov/DRS and click on *File/Register OnLine*.

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Sales and use taxes
Audio/Video Production
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