

U.K. to Remodel and Raise Production Incentives

The threshold for TV productions to qualify for the incentives will remain at £1 million (\$1.2 million).

BY GEORG SZALAI MARCH 15, 2023 6:57AM



Dominic West in 'The Crown' COURTESY OF NETFLIX

The British government said on Wednesday that it would remodel and raise financial incentives for film, TV and other productions.

The news came as part of the annual budget speech, delivered by chancellor of the exchequer, or finance minister, Jeremy Hunt.

“I will introduce an expenditure credit with (a) rate of 34 percent for film, high-end television and video games and 39 percent for animation and children’s TV sectors,” the minister in the Conservative Party government of Prime Minister Rishi Sunak said during the speech in the British parliament’s House of Commons in London on Wednesday. “I’ll maintain the qualifying threshold,” which for high-end TV productions stands at £1 million (\$1.2 million), he said.

Initially, the comment was taken to mean that the existing tax rebate would rise from 25 percent to 34 percent. But after further details were published, the British Film Institute (BFI) highlighted that the rebate was being remodeled into an “expenditure credit,” which productions will be able to claim from January 2024. The BFI said that the change would still represent an increase in the incentives, but that would be worth only 0.5 percent in real terms. The kids and animation incentive increase amounts to 5.7 percent in real terms, it added.

Among the popular TV hit shows that have often been touted as examples of Britain’s success around the world are the likes of *The Crown* and *Peaky Blinders*.

Hunt also touted the momentum and contribution of the creative industries. “Our film and TV industry has become Europe’s largest, with our creative industries growing at twice the rate of the economy,” he said.

He also highlighted during his budget speech that the U.K. was now “the world’s third trillion dollar tech economy after the U.S. and China.” Hunt previously signaled that he wants to drive the country’s tech sector growth and make it the “next Silicon Valley.”

Ben Roberts, CEO of the BFI, said the reformed incentives are “a testament to how crucial they are to the U.K.’s economy and growth.” He added: “Combined with our extraordinary talent, infrastructure and technical and creative expertise the screen sector Tax Reliefs, now remodeled as expenditure credits, have super-charged our industry on an unprecedented scale.” His conclusion: “The news today will ensure the U.K. remains a truly globally competitive production hub, giving us economic recovery and growth, creating thousands of jobs for people up and down the country and enabling creative talent and storytelling to thrive.”