

1. Investing in Spanish productions of feature films, fiction, animation or documentary series give producers the right to the following deductions:

a) 20 per cent on the first million spent.

b) 18 per cent on excess expenditure.

The deduction is calculated on the total cost of the production including the cost of making copies and publicity and promotion expenses –which are capped at 40 per cent of the cost of production– met by the producer.

At least 50 per cent of the cost of production must be spent in Spain.

The amount deducted is capped at 3 million Euros.

In the case of a co-production, the amount allowed to each co-producer will be determined by their respective share in the co-production.

In order to benefit from this deduction, the following requirements must be fulfilled:

a) The production must obtain a certificate of nationality as well as a certificate stating the cultural nature of its content and its connection to Spanish culture or its contribution toward the cultural diversity of films shown in Spain, both of which are issued by Instituto de Cinematografía y de las Artes Audiovisuales.

b) A new copy in perfect condition must be deposited at the Filmoteca Española (Spanish Film Archive) or at the corresponding film archive in a given Spanish Autonomous Community, in the terms established by [Orden CUL/2834/2009](#).

This deduction is applicable to every tax period the production expenditure was incurred even though it will actually be applied in the tax period the production is finished.

However, in the case of animation, the deduction will be applied in the tax period the nationality certificate referred to in a') above is obtained.

Grants obtained to finance investments qualifying for deduction are not deductible.

The amount of this deduction together with other aid received cannot be in excess of 50% of the production cost.

2. Producers registered in the Spanish **Register** of Film Production Companies of the Ministry of Education, Culture and Sport who are in charge of the production of a foreign film, are entitled to a 15 per cent deduction on expenditure in Spain provided that at least 1 million Euros has been spent.

The following expenses made in Spain which are directly connected with the production will benefit from the allowance:

1.º Expenditure on creative crew, provided they have their tax residence in Spain or in any other European Economic Space Member State. This is capped at 50,000 Euros per person.

2.º Expenditure on technical industries and other suppliers.

This deduction is capped at 2.5 million Euros per production.

The deduction in this section is excluded from the limit referred to in the last paragraph of section 1 in article 39 of this Law. This deduction will not be computed in the calculation of the said limit.

The amount of this deduction together with any other aid received cannot be in excess of 50% of the production cost