

NOTICE OF ASSIGNMENT OF FILM PRODUCTION TAX CREDIT Instructions (Page 1)

Assignment of the Credit

If all or a part of an approved film production tax credit is assigned to a third-party financial institution, or to an authorized third-party, Form RPD-41380, *Notice of Assignment of Film Production Tax Credit*, is used to notify the Taxation and Revenue Department (TRD). A completed Form RPD-41380 allows TRD to honor an assignment of the film production tax credit to a third-party financial institution or to an authorized third-party. Form RPD-41380 must be submitted with the film production company's income tax return on which it claims approved credit. The film production company must also attach Form RPD-41228, *Film-Related Tax Credit Claim Form*, including Schedule A. Failure to attach this form can result in the credit being paid to the film production company.

Important: Prior to filing the RPD-41228, *Film-Related Tax Credit Form* coordinate RPD-41280, *Notice of Assignment of Film Production Tax Credit* with our Department's Business Credit Processing Unit:

Phone: 1-505-827-0792

E-mail: BusinessCredit.Mgr@state.nm.us

Approved film production tax credit can be assigned once, and may not be further transferred or assigned.

Important Definitions

For purposes of the Film Production Tax Credit Act,

1. an *authorized third-party* means an entity that:
 - a. holds the rights to a film for which a film production tax credit may be claimed;
 - b. and initiates that film's production, and
2. a *financial institution* means:
 - a. a fund purposely created to produce a film; or
 - b. a bank, savings institution or credit union that is organized or chartered pursuant to the laws of New Mexico or the United States and that files a New Mexico income tax return.

The financial institution or authorized third-party must be verified in advance by the Film Office.

Refund Express

If the assignee wishes to have the assigned film production tax credit deposited directly into their bank account, the assignee must complete the Refund Express portion of Form RPD-41380.

All fields are required. Complete the bank routing number, the account number, and you must mark the appropriate box to indicate the type of account. Failure to complete all fields will cause your Refund Express request to be denied, and New Mexico Taxation and Revenue will mail you a paper check.

Refund Express- Question 4 is required: A direct deposit of your refund, "Refund Express", may not be made to a bank account located at a financial institution outside the territorial jurisdiction of the United States.

In order to comply with federal banking rules, anyone wishing to have their refund directly deposited into their account must answer an additional question when completing the Refund Express portion of their return or notice of assignment. If you do not answer the question, your refund will be mailed to you in the form of a paper check. If you answer the question incorrectly, your refund may be delayed, rejected or frozen by the National Automated Clearing House Association (NACHA) or the Office of Foreign Assets Control (OFAC).

The question asks whether the refund will go to or through an account located outside the United States. The question also warns you that if the answer is "yes", you should not choose the Refund Express method of delivering your refund. Your options are to use a different bank account or to leave the Refund Express portion of your return blank and a paper check will be mailed to the address on the return.

A financial institution is located within the territorial jurisdiction of the United States if it is located:

- within the United States;
- on a United States military base; or
- in American Samoa, Guam, the Northern Mariana Islands, Puerto Rico or the U.S. Virgin Islands.

TRD is not responsible for the misapplication of a direct deposit refund that is caused by the error, negligence or malfeasance on the part of the taxpayer. Verify that you enter the correct bank information.

Why Use Refund Express?

- Payment is more secure. There is no check to get lost.
- More convenient. No trip to the bank to deposit your check.
- Saves tax dollars. A refund by direct deposit costs less than a check.
- Avoid delays that may occur in mailing a check. Refund Express does not guarantee that you will receive your refund check earlier—only that when the check is issued, it will reach the bank more quickly.

What is the Routing Number?

The routing number is for bank identification and **must be nine digits**. If the first two digits are not 01 through 12 or 21 through 32, the system will reject the direct deposit and you will receive a check instead.

Your check may state that it is payable through a bank different from the financial institution where you have your checking account. If so, do not use the routing number on that check.

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Instead, contact your financial institution for the correct routing number to enter on this line.

Entering Your Account Number

Your account number can be up to 17 characters. Include hyphens, but omit spaces and special symbols. Enter the number from left to right. Leave unused boxes blank. **Do not** include the check number.

You **must** indicate the **type of account**. Place an "X" in the

"Checking" box if it is a checking account, or in the "Savings" box if the account is a savings account. This field is required.

Caution: Verify that the information you enter is correct and that your financial institution will accept a direct deposit payable to the name on CIT-1, PIT-1, S-Corp, PTE, or FID-1 income tax return.

Note: TRD will mail you a paper check if your bank does not accept your Refund Express information.