

Extend Section 181 Expensing for American Film & TV Production

Congress first enacted Section 181 in 2004 to encourage domestic film and television production.

During the intervening two decades, foreign countries have successfully lured productions – and the high-paying jobs and local cash-infusions they bring – by creating even more aggressive incentive programs.

Returning more production to the U.S. will require broad-based policy solutions and extending Section 181 represents an important step to help keep jobs in America.

How does Section 181 encourage domestic film & TV production?

Section 181 allows up to \$15 million of qualified film & TV production expenses to be deductible in the year incurred (or up to \$20 million if produced in low-income or distressed areas). To qualify, a production must spend at least 75% of its labor compensation in the U.S.

Without Section 181, deductibility would begin only after a project is released, which can often be years after a production wraps up. Accelerated deductibility reduces the cost of capital and provides cash flow certainty to green light projects and fund further production investments.

Why promote film & TV production?

Film & TV productions are highly valuable projects for local communities across [all 50 states](#). The average film shoot spends more than \$670,000 each day on location and employs nearly 1,500 people, while an average TV series injects \$49 million into a local economy.

Film & TV production spending directly benefits workers and small businesses. More than 90% of vendors paid by productions employ 10 or fewer people, including caterers, lodging, equipment rental, transportation, and many others.

By allowing costs to be recovered immediately when incurred, section 181 allows producers on tight budgets to green light productions that might not otherwise be made.

Why now?

Countries around the world recognize the value of film & TV productions and increasingly offer significant incentives to attract projects. More than [80 countries offer production tax incentives](#). As a result, numerous productions that could have been in America have located elsewhere.

Section 181 provides important safeguards to preserve U.S. production, especially for TV series and for smaller budget and independent films.

The global production landscape has evolved significantly since 2004, and Section 181 encourages domestic production and benefits American workers and small businesses.

For these reasons, Congress has repeatedly ensured that the Section 181 Domestic Production Incentive has continuously remained in effect for twenty years.

Please Support a Long-term Extension of Section 181 Beyond December 31, 2025

