



DATE: September 20, 2016

Notice: **Tax Credit Program 2.0 - Non-Independent Qualified Expenditure Chart Revision**

This is to inform you that the Qualified Expenditure Chart for non-independent productions with partial or all principal photography outside the Los Angeles 30 mile zone has been updated on the [CFC website](#).

The updates on the revised chart further clarifies those expenditures that may be considered a zone consumable (ZC) versus a zone expenditure (ZE). You may recall that the cost of zone expendables are pro-rated, based on the number of principal photography days in and outside of the studio zone, whereas zone consumables are not.

The highlighted accounts have also been changed and should be noted.

One major tagging change concerns the payroll handling fees (accounts 183-24 & 183-25). As these charges are usually part of the fringe accounts and therefore budgeted as wages, the qualified expenditure chart now indicates that these fees – previously categorized as non-wage (QE) may now be tagged as wages (QW) for any personnel whose salary qualifies. Note: If handling fees have already been tagged QE, the CFC will accept this tagging for budget submissions and all CPAs performing Agreed Upon Procedures have been instructed to accept this tagging without considering it an error.

We hope this updated chart is helpful; please don't hesitate to contact us the CFC with any questions or comments.