An Bille Comhdhlúite Cánacha (Tionscal Scannán Réigiúnach a Fhorbairt) (Leasú), 2025

Taxes Consolidation (Development of Regional Film Industry) (Amendment) Bill 2025

Meabhrán Míniúcháin

Explanatory Memorandum

AN BILLE COMHDHLÚITE CÁNACHA (TIONSCAL SCANNÁN RÉIGIÚNACH A FHORBAIRT) (LEASÚ), 2025

TAXES CONSOLIDATION (DEVELOPMENT OF REGIONAL FILM INDUSTRY) (AMENDMENT) BILL 2025

EXPLANATORY MEMORANDUM

Purpose of the Bill

A major regional imbalance has been identified in Ireland's audiovisual production sector which this Bill seeks to address.

Figures provided by Screen Producers Ireland show that 70 per cent of projects which received section 481 film tax relief in 2024 were based in Leinster and over 54 per cent in the Dublin and Wicklow region which constitutes the major hub for film production capacity. The 62 Leinster-based projects had a total eligible expenditure value of €402.9 million.

By comparison, there were only 13 projects in Munster with a comparable eligible expenditure of €25.5 million; 11 projects in Connacht with a comparable eligible expenditure of €29 million, and just 2 projects in the remaining counties, the value of which was not provided due to reasons of confidentiality.

From 2019 to 2024, a short-term tapered regional uplift to the tax credit was operational to address the additional costs of production in the regions outside the Dublin-Wicklow region as a result of the limited availability of crew and infrastructure in those regions and to develop crew and infrastructure there.

At its initial level of 5 per cent, the regional uplift was worth millions in added value to the dozens of projects which benefited from it. A restored scheme would, however, require approval from the European Commission under State Aid rules, and could not follow the same format as the EU's updated regional aid map restricts the geographic scope of such a scheme to a point which the Minister for Finance has said "is not expected… would be viable for a future relief".

The cross-party Dáil Select Committee on Budgetary Oversight recommended in its May 2023 Report on the section 481 Film Tax Credit the retention of the Regional Uplift at the initial rate of 5 per cent, and to increase the 45 kilometre area limit to 75 kilometres or further.

This Bill would allow the Minister to identify regions of low audiovisual capacity and to include measures in the industry development test for Section 481 tax relief to promote the development of audiovisual production outside the existing major production hubs.

The Minister's ability to support a more regionally balanced development of film production would add to the Minister's existing obligation to specify conditions relating to employment and responsibilities of producers in the granting of the cultural certificate, and would compliment the additional conditions to protect the rights of film performers proposed in another Bill proposed by the drafter of this Bill, the Taxes Consolidation (Rights of Performers and Film Workers) (Amendment) Bill 2025 which passed First Stage in the Dáil on 10 June 2025.

Provisions of the Bill

Section 1 is the standard provision clarifying that the Act being amended is the Taxes Consolidation Act 1997.

Section 2 amends section 481 of the Taxes Consolidation Act 1997 to require the Minister for Culture, Communications and Sport to consider the development of the film industry in regions of the State with low audiovisual capacity when issuing the cultural certificate required to receive the film tax relief. It would empower the Minister to prescribe the regions in question by regulation, following consultation with the Minister for Enterprise, Tourism and Employment, with Screen Ireland, with stakeholders in the sector, with local authorities and with communities.

Section 3 is the standard provision dealing with the short title, collective citation, and commencement.

Aengus Ó Snodaigh TD,

Iúil, 2025.