



Peter Stathopoulos Discusses Production Incentive Issues Arising from COVID-19

In a recent webinar, Peter Stathopoulos, leader of Bennett Thrasher's State & Local Tax practice and the firm's Entertainment practice, breaks down the many expenses production companies could experience due to COVID-19. These expenses include shut down, interim holding and restart costs. As production companies strategize the most effective ways to tackle these expenses, they are looking to individual states to issue legislation and provide production incentives.

As a result of states not yet issuing formal guidance for the entertainment industry, production companies are struggling to interpret the qualification of expenditures in the current COVID-19 environment. Dependent factors and questions companies face include:

- Could the production be completed but for the expense?
- Are the expenses incurred in accordance with generally accepted industry practices?
- Are the expenses reasonably foreseeable?
- How close in time are the expenses related to a qualified phase of production?

Looking forward to when production restarts, production companies may adopt a "pod" approach on their sets. This approach creates groups of production units and provides each group with its own accommodations, meals and equipment. Additional expense items may include medical testing, PPE, security and extra space for social distancing.

It is essential to understand that it could take years for the entertainment industry to develop generally accepted standards and for state legislative and regulatory guidance to be issued. In the meantime, productions have to analyze the likelihood of these additional expenses qualifying for entertainment incentives based on the factors above.

To view the webinar presentation, click [here](#).

Learn More

If you have any questions regarding the entertainment industry in the current COVID-19 environment, please contact [Peter Stathopoulos](#) by calling [770.396.2200](tel:770.396.2200).

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