

NEW TAX INCENTIVE FOR FILM AND AUDIOVISUAL PRODUCTION

FEBRUARY 2026

Executive Summary:

- On February 16, 2026, a tax incentive for film and audiovisual production was published, granting a tax credit of up to 30% of the cost of projects carried out in Mexico, with a cap of 40 million pesos, valid until September 30, 2030. The benefit can be applied or transferred by domestic or foreign producers, provided they meet tax requirements and use at least 70% domestic suppliers, subject to the guidelines issued by the Technical Committee and the rules of the SAT.

On February 16, 2026, a fiscal incentive for film and audiovisual production was published in the Official Gazette of the Federation, consisting of a tax credit of up to 30% of the total cost of the film or audiovisual production project or process carried out in national territory, valid until September 30, 2030.

WHAT DOES IT CONSIST OF?

A tax credit of up to 30% of the total cost of the film or audiovisual production project or process carried out in national territory, which may not exceed \$40,000,000.00 per production and per beneficiary.

The total cost of the project or process will consist of the expenses related to the stages of development, pre-production, production, post-production, and final delivery of the work, effectively carried out in national territory, which are indispensable for the material, technical, creative, and logistical realization of the project.

A film production project is considered to be the set of creative, technical, logistical, and financial activities carried out in Mexico aimed at developing, producing,

or completing feature-length films, whose natural outcome and primary purpose is exhibition in movie theaters, without prejudice to their subsequent distribution in other venues.

An audiovisual production project is understood to be the set of creative, technical, logistical, and financial activities carried out in the national territory aimed at developing, producing, or completing audiovisual works, including, among others, feature films, series, miniseries, animation, projects intensive in visual effects and post-production, and other formats determined by the applicable guidelines, whose primary output is not exhibition in movie theaters, regardless of the medium, support, or platform through which they are disseminated or exploited.

WHO CAN APPLY?

Individual or corporate taxpayers residing in Mexico, residents abroad with a permanent establishment in the country, as well as residents abroad without a permanent establishment in Mexico, engaged in film or audiovisual production, who carry out productions in national territory.

HOW IS IT APPLIED?

The tax credit may be transferred for consideration at 100% to domestic suppliers directly related to production in order to incentivize the supply chain, without in any case the indirect expenses incurred with said suppliers exceeding 30% of the total amount of said tax credit; or it may be transferred for consideration to income tax payers who are not part of the supply chain.

The beneficiaries of the incentive must not be related parties of the entities to which the tax credit is transferred, nor have been so in the immediately preceding fiscal year.

If there is a surplus or if it has not been transferred, it may be applied by the taxpayer against their tax liability for the fiscal year or in provisional payments.

WHAT REQUIREMENTS MUST BE MET?

- Be registered in the Federal Taxpayers Registry and have an active tax mailbox.

Have a positive and current opinion of compliance with tax obligations.

- Submit the film or audiovisual production project or process, in accordance with the guidelines issued by the Technical Committee (which are pending publication).
- Make expenditures in national territory to execute the film or audiovisual production project or process.

- The film or audiovisual production project or process must have at least 70% domestic supply.
- Have proof of submission of the application issued by the Technical Committee for the request to apply the tax incentive under this instrument.
- Obtain proof of compliance issued by the Technical Committee for the completion of the film or audiovisual production.
- Comply with the provisions of the aforementioned guidelines.
- Among others, those who are published in the lists of non-compliant taxpayers referred to in Article 69-B of the Federal Tax Code, are in liquidation, have had their digital seals suspended or canceled, or have applied the "EFICINE" may not apply for the incentive.

OTHER CONSIDERATIONS.

- The guidelines are still pending publication by the Technical Committee; however, they must be published within a period of no more than 30 business days from the publication of the stimulus.
- The Tax Administration Service is also empowered to issue any necessary general rules.

Mariano Calderón
Partner
mcalderon@s-s.mx

Karina Robledo
Counsel
krobledo@s-s.mx

Sarahi López
Associate
sarahi.lopez@s-s.mx