

# Illinois Nonprofit Theater Tax Credit

## Tip Sheet

Did you know Illinois now has a [production tax credit for nonprofit theatres](#)? This program, which went into effect January 1, 2025, is an amendment to the Live Theater Tax Credit, which was previously just for for-profit, large-scale productions.

There is **\$2 million** available in tax credits - **up to 20% of qualified expenditures** - and there are tiers to help ensure small and mid-size nonprofit theater companies across Illinois can access this benefit.

Here are some key points about this program:

- To qualify, you need to meet the following criteria:
  - Production budget of at least **\$10,000**
  - Annual operating budget of at least **\$25,000**
  - At least **50 seats** are available for your performances.
  - Performance must be at least **75 minutes** long.
- This is a **tax credit** - as a nonprofit theater, this is not a reduction of your tax liability because you don't pay taxes! Rather it's a commodity - like a gift certificate - that is worth money.
- To get the actual funds from the tax credit, you must work with a **tax credit broker or buyer**, who will sell the tax credit (for a small fee) and give you the proceeds. [Here's a list of brokers/buyers from DCEO.](#)
- You will also need to have a CPA audit the tax credit. [Here's a list of CPAs from DCEO.](#)
- If you want someone to submit the application on your behalf, you have to include them - the "designee" - in the application at the time you submit it. [Here's the Rights and Designee Affidavit form to fill out.](#)
- You need to use that same Rights and Designee form to verify you have the rights to the production - and you need to have this form notarized!
- This credit is for **non-talent** staff costs, and can include **marketing and production** costs. ***This tax credit is NOT for talent stipends or payments.*** If you use an Illinois resident for your CPA, those expenses ARE qualified expenditures, and they CAN be included in the tax credit calculation!
- You can receive an **additional 15% credit** - total 35% - of the cost to hire Illinois residents who live in economically disadvantaged areas, defined by DCEO as areas where the unemployment rate is at least 150% of the State's annual average.

- This is a **first-come, first-serve** program - if you apply this year and are not successful, your place in the queue will be fixed for when it opens again for the state's next fiscal year, which starts July 1.

[The application is available to download now](#). However, the email account receiving the applications will not consider them eligible until **Friday, February 14**. So don't submit before the deadline - you will NOT be in the queue. Use this time now to pull together the following information and get your application ready to submit:

- Production description - just your marketing blurb is needed - and copy of the script
- Proof you have the right to perform the work - provide the contract or demonstrate the work is in the public domain - or fill out DCEO's affidavit form, if you are devising the work.
- Information on the demographics of your production team and your plans to hire a diverse team for the production. While these documents are not required for the application, we recommend you download these forms and spreadsheets to collect and track your data, which you will need to report as part of the approval process:
  - [Employee Diversity Form](#)
  - [Employee Diversity Tracking Spreadsheet](#)
  - [Vendor Diversity Form](#)
  - [Vendor Diversity Tracking Spreadsheet](#)
- Identify your designee - if someone will be completing the application on your behalf - and complete the Rights and Designee Affidavit - and get it notarized!
- Pull together these documents to attach to the email, along with the application:
  - The last four years of your 990 filings
  - Secretary of State of Illinois Certificate of Good Standing
  - Proof of rights to perform the work - signed contract or copyright affidavit (notarized!) if not in the public domain
  - IRS 501(c)3 designation letter with your EIN
  - Script for the work to be performed
  - Annual Operating Budget (Approved by Board)

FINAL TIP! Once your application is complete - schedule the email message that you are sending with your application to deliver **February 14th at 12 am** to get your spot in the queue.

*Have more questions about this program or need assistance with your application? [Submit a ticket to the Help Desk](#) for 1-1 support with your application.*

