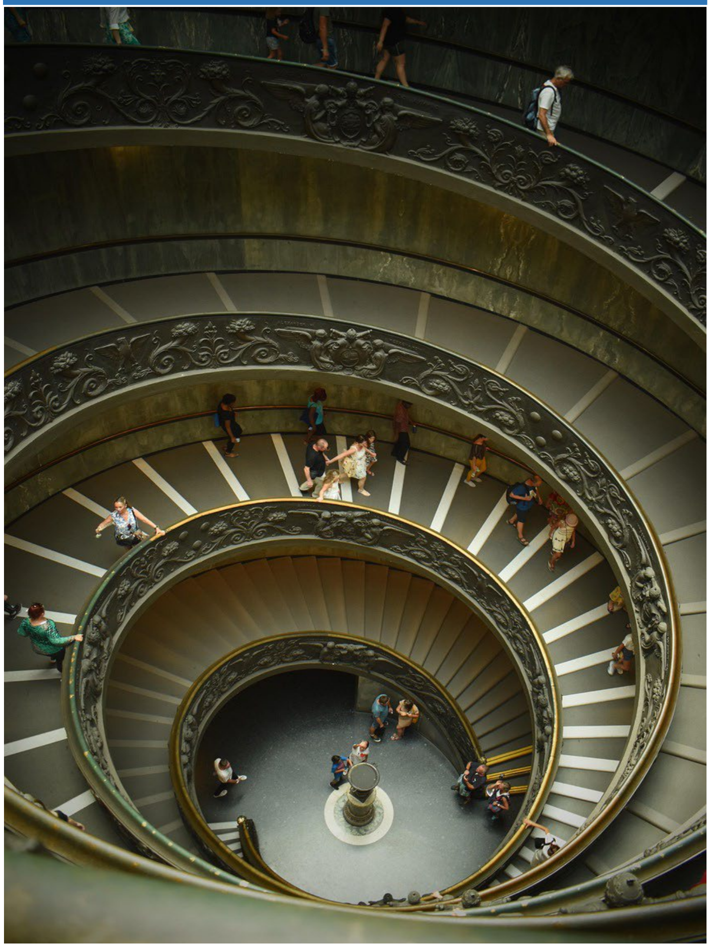
MUSEUMS & GALLERIES EXHIBITION TAX RELIEF (MGETR)
TAX RELIEF FOR MUSEUM & GALLERIES IN DEVELOPING NEW EXHIBITIONS

WHAT IS MGETR?

MGETR was introduced in April 2017 to support museums and galleries in developing new exhibitions. MGETR is based on the Film Tax Relief scheme introduced in 2007 and subsequently extended to other creative sectors including High-end and Children's TV, Animation, Video Games, Theatre and Orchestra.



HOW DOES MGETR WORK?

MGETR works by enhancing expenditure incurred in the production process and creates an additional deduction to be set against the surplus or deficit for that exhibition. Where the additional deduction extends or creates a loss, the loss created by the additional deduction can be surrendered to HMRC for a payable tax credit of 40% (non – touring) or 45% (touring).

A company qualifies if it:

- ✓ is the primary or secondary exhibition company for the exhibition
- ✓ is a charitable company which maintains a museum or gallery
- ✓ is a company wholly owned by a charity that maintains a museum or gallery
- ✓ Is a company wholly owned by a local authority that maintains a museum or gallery
- ✓ falls under the company tax regime even if they do not currently file company tax returns.

An exhibition will qualify if:

- ✓ the exhibition is a curated display of an organised collection of works (or of a single object or work) considered to be of scientific, artistic, historic or cultural interest
- ✓ from the planning stage the exhibition is intended to be open to the general public it does not need to charge admission
- ✓ at least 25% of the core spend is European Economic Expenditure (EEA). from 1 April 2024, at least 10%

An exhibition will not qualify if:

- x its main purpose, or one of its main purposes, is to sell anything displayed or to advertise or promote goods or services;
- x it is organised in connection with a competition of any kind;
- x it includes a live performance by any person (except where the performance is merely incidental to the exhibition);
- x any exhibitions which are not held in person, for example, online exhibitions;
- x any displayed item is alive.

Which expenditure qualifies for enhancement?

Expenditure qualifying for enhancement is called core expenditure and includes expenditure incurred on:

- ✓ planning and preparing the exhibition
- ✓ de-installing and closing the exhibition (if the exhibition runs for less than 12 months).

For example: curator and research costs; exhibition instalment; exhibition loan costs; insurance and transportation costs and set up and equipment hire.

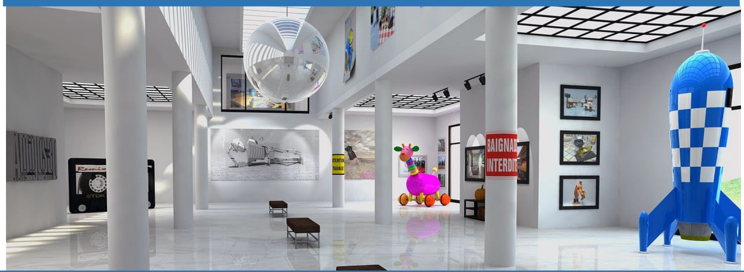
Non-qualifying or non-core expenditure include costs relating to:

- x marketing, financing or legal services
- x storage (except where there is a tour)
- x ordinary running costs of the museum
- x infrastructure costs not solely related to the new exhibition
- x purchase of exhibits.

How is MGETR claimed?

MGETR is claimed via a Company Tax Return or amendment to a Company Tax Return.

All claims must be accompanied by the completion of HMRC's Additional Information Form (AIF). The AIF requires details of the claiming company; the exhibitions for which MGETR is claimed as well as a breakdown of the income and expenditure for each exhibition.



How is MGETR calculated?

A Production Company can claim an additional deduction based on its enhanceable expenditure, at the lesser of: -

- 80% of total core expenditure
- the actual core expenditure incurred in the UK.

From 1 April 2025 Where the additional deduction creates a loss, that loss to be surrendered to HMRC for a tax credit paid at the rate of 40% (non – touring) or 45% (touring).

A simple example to demonstrate the benefit of claiming MGETR

The company surrenders the £20,000 'loss' to HMRC via the Company Tax Return in return for a payable tax credit.

If the exhibition is a non-touring exhibition, the payable tax credit is paid at a rate of 40% meaning that the company will receive a payment of £8,000 from HMRC.

If the exhibition is a touring exhibition, the payable tax credit is paid at a rate of 45% meaning that the company will receive a payment of £9,000 from HMRC.

The maximum repayable credit is restricted to £100,000 for a touring exhibition and £80,000 for

- 80% of total core, or
- 100% of total EEA core

Deemed Loss for tax credit purposes			£20,000
Surrendered for payable tax credit			£20,000
Tax credit for a non-touring exhibition	@ 40%	=	**£8,000**
Tax credit for a touring exhibition	@ 45%	=	**£9,000**

Further guidance can be found at:

Original legislation: http://www.legislation.gov.uk/ukpga/2017/32/schedule/6/enacted

HMRC's TTR manual: https://www.gov.uk/government/publications/museums-and-galleries-tax-relief

Useful contacts:

HMRC's Creative Industries Unit:	creative.industries@hmrc.gsi.gov.uk
Creative Tax Reliefs:	info@creativetaxreliefs.com

The author

Creative Tax Reliefs Limited was started in 2017 by Graham Suggett, former Lead Tax Specialist with HMRC'S Creative Industries Unit and a specialist in Museums and Galleries Exhibition Tax Relief.

If you would like specialist support with the process of claiming Museums and Galleries Exhibition Tax Relief, have questions regarding the legislation or perhaps have encountered issues with your current claim then please do get in touch. Graham can be contacted via the following:

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Company website:	www.creativetaxreliefs.com