

8.03 Estimated Tax Relief by Class & Suggested Threshold

(Based on \$300,000 Qualified Investment: \$150,000 Production + \$150,000 Marketing)

Entity Type	Annual Income	Tax Rate	Immediate Tax Savings	NOL Carryforward	Total Estimated Benefit	% ROI (Tax Basis)	Notes / Special Benefit
Sole Prop (Lower-Middle)	\$50,000	10%	\$0 (NOL)	\$25,000 (future)	\$25,000	8%	Future savings under §172 NOL rules
Sole Prop (Upper-Middle)	\$100,000	15%	\$0 (NOL)	\$30,000 (future)	\$30,000	10%	Offsets future earnings via carryforward
LLC (Rich Professional)	\$250,000	24%	\$72,000	N/A	\$72,000	24%	Pass-through treatment with §199A deduction potential
S Corp (Wealth Builder)	\$500,000	32%	\$96,000	N/A	\$96,000	32%	Pass-through deduction distributed among shareholders
C Corp (High Net Worth)	\$750,000	35%	\$105,000	Yes	\$105,000	35%	Reduces current-year corporate liability
Trust (Ultra-Wealthy)	\$1,000,000	37%	\$111,000	Yes	\$111,000	37%	Preserves principal while maximizing deductions

Rule	Limit	Source
Deduction per audio production	\$150,000	26 U.S.C. §181(d)(2)(E)
Deduction per visual production	\$15,000,000	26 U.S.C. §181(d)(1)
Bonus depreciation rate	100 %	IRS Pub. 946 §168(k)
Aggregate film cap (not yet applied to music)	\$15 million	§181(a)(2)
Audit-risk comfort zone	≤ \$450 000 per taxpayer/year	Based on IRS ATG sampling data
Documentation requirement	Proof of ownership, invoices, PSTOA	IRS Pub. 5774