

National Film Support Plan with 30% Income Tax Incentive

Mexico City, February 17, 2026

Background

The President of Mexico, Claudia Sheinbaum Pardo, announced a comprehensive national film support plan as well as a new tax incentive of 30% of Income Tax ("ISR") for projects carried out in national territory. The [Decree](#) was published on February 16, 2026 in the Federal Official Gazette ("DOF"), entered into force today, and will be in effect until September 30, 2030.

Key features of the tax incentive

The tax credit may be up to 30% of the total project cost, capped at 40 million pesos per project and per beneficiary. Eligible projects include fiction or animation feature films and TV series with a minimum expense of 40 million pesos¹; feature-length and documentary series with minimum expense of 20 million pesos²; as well as specific animation, visual effects or post-production processes with minimum expense of 5 million pesos³ per process.

Projects must have at least 70% national sourcing to attract international productions and encourage national productions to remain in Mexico.

The incentive may be accessed by Mexican individuals and legal entities, foreign persons with a permanent establishment in the country, and foreign persons without a permanent establishment in national territory who carry out the production through a natural or legal person resident in Mexico dedicated to film or audiovisual production activities.

¹ Approx. USD \$2,330,175

² Approx. USD \$1,165,090

³ Approx. USD \$291,270



Tax implications for producers and industry companies

To be eligible for the incentive, companies must:

- Structure their projects to comply with the 70% national sourcing requirement.
- Document all expenses incurred in national territory.
- Ensure that minimum investment amounts per project type are met.
- Evaluate the tax advantages of undertaking production directly or through a corporate structure in Mexico.
- Consider the maximum cap of 40 million pesos per project when planning large-scale productions.

For foreign producers without a permanent establishment in Mexico, it will be essential to evaluate the optimal legal and tax structure to access the benefit, whether through establishing a Mexican entity or through partnerships with local production companies. The total annual amount of the tax incentive authorized by the Technical Committee shall not exceed 400 million pesos⁴. Such Committee shall be composed of representatives from the Ministry of Finance, the Ministry of Culture and the Mexican Film Institute, and must publish in the DOF the applicable guidelines within 30 business days following the publication of the Decree.

For further information related to the content of this document, please do not hesitate to contact Gabriela Pellón (Tax Partner – gpellon@galicia.com.mx) and Xavier Careaga (TMT AI Counsel – xcareaga@galicia.com.mx).

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⁴ Approx. USD \$23,301,740

