

RÉSUMÉ DIGEST

ACT 141 (SB 100)

2015 Regular Session

Morrell

Prior law granted a motion picture investor tax credit as a percentage of the "base investment" made and used for "production expenditures" in La. by a "state-certified production". The term "production expenditures" was defined in prior law.

New law excludes from the definition of eligible "production expenditures" those expenditures for "related party transactions" that have been denied or limited by the office of entertainment industry development (office) in the Department of Economic Development (LED).

Prior law required a motion picture production company or motion picture investor that applies for tax credits to submit to the office and the secretary of LED a production audit report for certification. After review of the report, the office and the secretary were required to issue a tax credit certification letter to the tax credit applicant indicating all qualifying expenditures and the amount of tax credits certified for the state-certified production.

Prior law required the production audit report to be issued by a qualified accountant who is unrelated to the motion picture production company. The report shall contain the accountant's audit of the motion picture's cost report of production expenditures. Required that the production audit report contain an opinion from the accountant stating that the production's cost report of production expenditures presents fairly, in all material aspects, the "production expenditures" expended in Louisiana.

New law provides for preparation and submittal, in lieu of an audit report for review and analysis of the applicant's cost report expenditures to LED a "production expenditure verification report".

New law requires that the verification report be prepared by a certified public accountant (CPA) to be engaged and assigned by LED. Requires that the report be a review of the tax credit applicant's cost report of production expenditures, and be made in accordance with agreed-upon procedures established by LED. Provides that the applicant is responsible for the payment of the fee charged by the CPA for the report.

New law defines "related party transaction" as a transaction between parties deemed to be related by common ownership or control according to generally accepted accounting standards (GAAS) and generally accepted accounting principles (GAAP).

Effective on January 1, 2016, if and when the commissioner of administration and the legislative auditor provide written notice to the president of the Senate, the speaker of the House of Representatives, and the Louisiana State Law Institute that they have determined that an Act or Acts were enacted in the 2015 Regular Session of the Legislature sufficient to offset any tax increases provided for in the Acts of such session over a five-year period.

(Amends R.S. 47:6007(B)(9), (10), and (11) and (D)(2)(c) and (d) and (9); adds R.S. 47:6007(B)(17), (18), and (19), (C)(1)(e), and (D)(2)(f) and (g))