

2017 Regular Session

SENATE BILL NO. 177

BY SENATOR MORRELL

TAX/TAXATION. Provides relative to the Motion Picture Tax Credit Program for the withholding of income tax for performance of services on a state-certified production. (gov sig)

1 AN ACT

2 To amend and reenact R.S. 47:164(D)(2)(b), to provide for employee compensation eligible
3 as a production expense for purposes of the tax credit; to provide for applicable rates
4 of withholding tax; to provide for an effective date; and to provide for related
5 matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:164(D)(2)(b) is hereby amended and reenacted to read as follows:

8 §164. Information at source

9 * * *

10 D. Withholding of tax at source.

11 * * *

12 (2) * * *

13 (b) Any motion picture production company, motion picture payroll services
14 company, or other entity making or causing to be made payments as provided in
15 Subparagraph **(D)(2)(a)** of this ~~Paragraph~~ **Section**, to an individual, or to an agent or
16 agency, loan-out company, personal service company, employee leasing company,
17 or other entity is considered to be paying compensation taxable by the state of

1 Louisiana. For purposes of eligibility as a production expenditure, the company or
 2 other entity shall withhold taxes from those payments at the ~~highest individual rate~~
 3 ~~of six percent,~~ **rate specified on an employee's withholding allowance certificate**
 4 or the highest individual rate in effect at the time and remit these payments to the
 5 department quarterly, excluding any amount that would otherwise not be subject to
 6 the withholding requirements imposed pursuant to state and federal law and
 7 regulations.

8 * * *

9 Section 2. This Act shall become effective upon signature by the governor or, if not
 10 signed by the governor, upon expiration of the time for bills to become law without signature
 11 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 12 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 13 effective on the day following such approval.

The original instrument and the following digest, which constitutes no part
 of the legislative instrument, were prepared by Leonore Heavey.

DIGEST

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Present law requires that in order to be considered an eligible production expense for the Motion Picture Investor Tax Credit that entities paying compensation for personal services shall remit withholding tax at the rate of six percent or at the highest individual income tax rate in effect.

Proposed law retains present law but changes the withholding rates to the rate specified on the employee's withholding allowance certificate or the highest individual income tax rate in effect.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 47:164(D)(2)(b))