

2017 Regular Session

HOUSE BILL NO. 508

BY REPRESENTATIVE JAMES AND SENATOR MORRELL

TAX CREDITS: Authorizes a fee for the transfer of film tax credits

1 AN ACT

2 To amend and reenact R.S. 47:6007(C)(4)(b) and to enact R.S. 47:6007(C)(4)(g), relative
3 to motion picture production tax credits; to authorize a fee for the transfer of a
4 motion picture production credit; to establish the Louisiana Entertainment
5 Development Fund as a special treasury fund; to provide for deposits into and uses
6 of the fund; to provide for effectiveness; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:6007(C)(4)(b) is hereby amended and reenacted and R.S.
9 47:6007(C)(4)(g) is hereby enacted to read as follows:

10 §6007. Motion picture production tax credit

11 * * *

12 C. Production tax credit; specific productions and projects.

13 * * *

14 (4) Transferability of the credit. Except as provided for in Item (f)(iii) of this
15 Paragraph, motion picture tax credits not previously claimed by any taxpayer against
16 its income tax may be transferred or sold to another Louisiana taxpayer or to the
17 office, subject to the following conditions:

18 * * *

1 (b) Transferors and transferees shall submit to the Department of Revenue
2 in writing, a notification of any transfer or sale of tax credits within ten business days
3 after the transfer or sale of such tax credits. No transfer or sale of tax credits shall
4 be effective until recorded in the tax credit registry in accordance with R.S. 47:1524.
5 The notification shall include the transferor's tax credit balance prior to transfer, a
6 copy of any tax credit certification letter(s) issued by the office and the secretary of
7 the Department of Economic Development the transferor's remaining tax credit
8 balance after transfer, all tax identification numbers for both transferor and
9 transferee, the date of transfer, the amount transferred, a copy of the credit
10 certificate, price paid by the transferee to the transferor, in the case when the
11 transferor is a state-certified production, for the tax credits, and any other
12 information required by the office or the Department of Revenue. For the purpose
13 of reporting transfer prices, the term "transfer" shall include allocations pursuant to
14 Paragraph (2) of this Subsection as provided by rule. The tax credit transfer value
15 means the percentage as determined by the price paid by the transferee to the
16 transferor divided by the dollar value of the tax credits that were transferred in
17 return. The notification submitted to the Department of Revenue shall include a
18 ~~processing fee of up to two hundred dollars per transferee~~, and any information
19 submitted by a transferor or transferee shall be treated by the office and the
20 Department of Revenue as proprietary to the entity reporting such information and
21 therefore confidential. However, this shall not prevent the publication of summary
22 data that includes no fewer than three transactions.

* * *

24 (g)(i) The notification submitted to the Department of Revenue shall include
25 a fee, for projects that apply to the office prior to July 1, 2017, of two hundred
26 dollars per transferee, and a fee, for projects that apply to the office on or after July
27 1, 2017, of two percent of the tax credit transfer value, which shall be deposited upon
28 receipt in the state treasury.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 508 Engrossed

2017 Regular Session

James

Abstract: Provides for a fee for the transfer of a motion picture production tax credit. Establishes the La. Entertainment Development Fund as a special treasury fund and deposits the collections from the fee into the fund.

Present law authorizes the transfer of tax credits and requires that the transferor and transferee submit a notification of the transfer to the Dept. of Revenue.

Present law requires a processing fee of up to \$250 per transferee be submitted with the notification.

Proposed law changes the amount of the fee from up to \$250 per transferee to \$200 for requests to transfer filed with the office prior to July 1, 2017, and 2% of the tax credit transfer value for requests to transfer filed on or after July 1, 2017.

Proposed law creates the Louisiana Entertainment Development Fund and deposits into the fund the fees required in proposed law.

Proposed law requires 25% of the fund to be appropriated to the Dept. of Revenue for administrative purposes and 75% to the Dept. of Economic Development for education development initiatives, matching grants for Louisiana filmmakers, a loan guarantee program, and a deal closing fund.

Effective if and when Senate Bill No. 254 of this 2017 R.S. is enacted and becomes effective.

(Amends R.S. 47:6007(C)(4)(b); Adds R.S. 47:6007(C)(4)(g))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Change the fee requirement for the notification of transfer from 2% of the tax credit transfer value to \$200 for projects that apply for transfer prior to July 1, 2017, and 2% of the tax credit transfer value for projects that apply for transfer on or after July 1, 2017.
2. Change the effective date from upon signature of the governor to conditional effectiveness if Senate Bill No. 254 from the 2017 R.S. of the Legislature is enacted and becomes effective.