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**SENATE FLOOR AMENDMENTS**

2017 Regular Session

Amendments proposed by Senator Morrell to Engrossed Senate Bill No. 254 by Senator Morrell

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1 AMENDMENT NO. 1

2 On page 1, line 6, change "47:6007(C)(4)(f)" to "47:6007(C)(4)(b) and (C)(4)(f)"

3 AMENDMENT NO. 2

4 On page 1, line 8, after "No. 144," insert "(9)(b)(i),"

5 AMENDMENT NO. 3

6 On page 1, line 9, after "(32)," and insert "(33), (34), and (C)(3)(d), (C)(4)(g),"

7 AMENDMENT NO. 4

8 On page 1, line 9, change "(2)(a)(ii)" to "(2)(a)(i)(gg) and (hh), (2)(a)(ii),"

9 AMENDMENT NO. 5

10 On page 1, line 16, after "enhancements;" insert "to provide for a maximum overall credit  
11 rate;"

12 AMENDMENT NO. 6

13 On page 1, line 17, after "companies;" insert "to provide for a sunset date for third-party  
14 credit transfers;"

15 AMENDMENT NO. 7

16 On page 2, line 1, change "provide for credit caps" to "provide for permanent credit caps"

17 AMENDMENT NO. 8

18 On page 2, line 8, change "47:6007(C)(4)(f)" to "47:6007(C)(4)(b) and (C)(4)(f)"

19 AMENDMENT NO. 9

20 On page 2, line 10, after "No. 144," insert "(9)(b)(i),"

21 AMENDMENT NO. 10

22 On page 2, line 11, after "(32)," insert "(33), (34), and (C)(3)(d), (C)(4)(g),"

23 AMENDMENT NO. 11

24 On page 2, line 12, change "(2)(a)(ii)" to "(2)(a)(i)(gg) and (hh), (ii),"

25 AMENDMENT NO. 12

26 On page 4, line 8, after "this Section." and before "The" insert:

27 **"The production expenditure verification report shall contain an opinion from**  
28 **the qualified accountant stating that any allocation of credits proposed by the**  
29 **motion picture production company to its partners or members is not a**

1 **disguised sale of the credits and has "substantial economic effect" as that term**  
2 **is defined by 26 U.S.C.A. §704 and the federal regulations thereunder."**

3 AMENDMENT NO. 13

4 On page 5, line 3, change "**incurring**" to "**incurred**"

5 AMENDMENT NO. 14

6 On page 5, line 15, after "**(ATL)**" delete "**services**"

7 AMENDMENT NO. 15

8 On page 5, between lines 28 and 29, insert:

9 **"(c) For all applications received on or after July 1, 2017, this term shall**  
10 **not include expenditures for catering and craft services unless such**  
11 **expenditures are made to a source within the state."**

12 AMENDMENT NO. 16

13 On page 6, between lines 14 and 15, insert:

14 **"(29) "Independent film production" means a state-certified production,**  
15 **with a production budget no greater than ten million dollars, produced outside**  
16 **of the major film studio system, as approved by the office."**

17 AMENDMENT NO. 17

18 On page 6, line 15, change "**(29)**" to "**(30)**"

19 AMENDMENT NO. 18

20 On page 6, between lines 20 and 21, insert:

21 **"(31) "Louisiana screenplay production" means a state-certified**  
22 **production meeting the Louisiana screenplay base investment enhancement**  
23 **eligibility criteria set forth in Subitem (C)(1)(a)(i)(bb) of this Section."**

24 AMENDMENT NO. 19

25 On page 6, line 21, change "**(30)**" to "**(32)**"

26 AMENDMENT NO. 20

27 On page 6, line 28, change "**(31)**" to "**(33)**"

28 AMENDMENT NO. 21

29 On page 7, line 5, change "**(32)**" to "**(34)**"

30 AMENDMENT NO. 22

31 On page 7, line 22, after "project" insert the following:

32 **,"or as otherwise provided in this Paragraph"**

33 AMENDMENT NO. 23

34 On page 8, line 2, after "**dollars,**" delete the remainder of the line and insert:

1 **"or if a production is a Louisiana screenplay production, each investor shall be**  
2 **allowed a tax credit of twenty-five percent of"**

3 AMENDMENT NO. 24

4 On page 8, line 8, after "**Area**" change the period "." to a comma "," and add the following:

5 **"as delineated by the federal Office of Management and Budget, but not**  
6 **including St. John the Baptist Parish."**

7 AMENDMENT NO. 25

8 On page 8, delete lines 9 through 14, and insert:

9 **"(bb) Louisiana screenplay. A ten percent increase in the base investment**  
10 **rate may be allowed for state-certified production expenditures equal to or**  
11 **greater than fifty thousand dollars but no greater than five million dollars,**  
12 **based upon a screenplay created by a Louisiana resident as evidenced by**  
13 **documents such as certificate of authorship, a Writers Guild of America**  
14 **registration certificate, the records of the United States Copyright Office, or a**  
15 **reasonable legal opinion issued to the office."**

16 AMENDMENT NO. 26

17 On page 8, delete lines 22 through 27, and insert:

18 **"(bb) Visual effects. To the extent that base investment is expended on**  
19 **visual effects expenditure, each investor shall be allowed an additional tax credit**  
20 **of five percent of such expenditures if at least seventy-five percent of the visual**  
21 **effects budget is expended for services performed in Louisiana by an approved**  
22 **QEC, or a minimum of ten million dollars in qualified visual effects**  
23 **expenditures are made in Louisiana."**

24 AMENDMENT NO. 27

25 On page 8, line 29, after "**base investment credit**" insert "**, including base investment**  
26 **increases for out-of-zone filming and Louisiana screenplay,"**

27 AMENDMENT NO. 28

28 On page 9, line 6, between "**of**" and "**ten**" insert "**at least**"

29 AMENDMENT NO. 29

30 On page 10, line 15, after "For" delete the remainder of the line and insert "**applications for**  
31 **state-certified productions approved"**

32 AMENDMENT NO. 30

33 On page 10, between lines 17 and 18, insert:

34  
35 (3) Application of the credit.  
36 \* \* \*

37 **(d) In order to prevent disguised sales of the credits, allocations of credits**  
38 **through partnership and membership agreements shall not be recognized unless**  
39 **they have "substantial economic effect" as that term is defined by 26 U.S.C.A.**  
40 **§704 and the federal regulations thereunder."**

41 AMENDMENT NO. 31

42 On page 10, line 18, delete "Item (f)(~~iii~~)(ii)" and insert "**Subparagraph (g)**"



1 (b) Tax credits certified for goods and services provided by related parties to  
2 a state-certified production shall be further limited as follows:

3 (i) Qualifying production expenditures for Above the Line, or "ATL",  
4 ~~services~~ **salaries** provided by related parties shall be limited to twelve percent of  
5 total Louisiana production expenditures.

6 \* \* \*

7 AMENDMENT NO. 37

8 On page 16, line 27, change "2023" to "2025"

9 AMENDMENT NO. 38

10 On page 17, lines 8 and 9, after "July 1, 2017," delete "and before July 1, 2020,"

11 AMENDMENT NO. 39

12 On page 17, line 11, after "dollars." delete the remainder of the line, and delete lines 12  
13 through 17, and insert:

14 "Twenty percent of the annual program cap shall be reserved as follows: five  
15 percent for qualified entertainment companies, five percent for Louisiana  
16 screenplay productions, and ten percent for independent film productions. If  
17 the total amount"

18 AMENDMENT NO. 40

19 On page 17, line 21, after "(c)" insert "(i)"

20 AMENDMENT NO. 41

21 On page 17, between lines 24 and 25, insert:

22 "(ii) If the total amount of credits granted in any fiscal year to screenplay  
23 productions or independent film productions is less than their respective caps,  
24 any residual amount may be available for issuance by the department during  
25 that fiscal year as established by rule."

26 AMENDMENT NO. 42

27 On page 18, line 13, change "a return" to "an original return"

28 AMENDMENT NO. 43

29 On page 18, delete line 24, and insert "legacy credits, up to a maximum of ten million  
30 dollars for each subsequent fiscal year, to the Department of Revenue and his"

31 AMENDMENT NO. 44

32 On page 19, line 11, after "season." delete the remainder of the line and delete line 12

33 AMENDMENT NO. 45

34 On page 19, line 17, after "Development" delete the remainder of the line, delete lines 18  
35 through 22, and insert:

36 "individual payroll cap.  
37 (a) Project-based production tax credit. For applications for  
38 state-certified productions on or after July 1, 2017, the maximum amount of  
39 qualifying payroll expenditures made for the services rendered by an individual,  
40 whether directly to an individual, or indirectly through a loan out company,

1 shall be three million dollars per person and no tax credits shall be earned for  
2 payroll expenditures in excess of three million dollars per person.

3 (b) Company-based QEC payroll tax credit. For applications for  
4 qualified entertainment company contracts on or after July 1, 2017, the  
5 maximum amount of qualifying QEC payroll expenditures shall be two hundred  
6 thousand dollars per person, for each employee as reported on a Form W-2, and  
7 no tax credits shall be earned for payroll expenditures in excess of two hundred  
8 thousand dollars per person."