

RÉSUMÉ DIGEST

ACT 363 (HB 331)

2019 Regular Session

Leger

New law authorizes an additional base investment tax credit for resident copyrighted sound recordings.

Present law authorizes a state income tax credit for investments made in state-certified productions until July 1, 2021. The tax credit shall be earned by investors at the time expenditures are certified by the Dept. of Economic Development (DED) according to the total base investment certified for the sound recording production company per calendar year. The aggregate amount of credits that can be certified each year is limited to \$2,160,000; however, 50% of the credits certified each year shall be reserved for QMCs.

Existing law provides that the amount of the credit for each investor for state-certified productions received on or after July 1, 2017, is 18% of the base investment made by that investor in excess of \$25,000 or, if a resident of this state, in excess of \$10,000. Existing law provides for the following additional tax credits for state-certified productions:

- (1) QMC Tier 1 payroll credit of 10% for each new job with a salary of \$35,000 through \$66,000 per year.
- (2) QMC Tier 2 payroll credit of 15% for each new job with a salary of \$66,000 or more.

New law adds an additional 10% increase in the base investment credit if the base investment is expended by a QMC on a sound recording production of a resident copyright. New law defines a "resident copyright" as a copyright of a musical composition written by a La. resident or owned by a La. domiciled music company as evidenced by documents of ownership such as registrations with the U.S. Copyright Office or performing rights organizations which denote authors and music publishing entities.

Existing law sets forth criteria a company must meet in order to be eligible for the QMC payroll credit. The criteria include that the business be engaged directly or indirectly in the production, distribution, and promotion of music and that the business create a minimum of three new jobs meeting or exceeding the Tier 1 minimum wage requirements.

Prior law required that the business be a music publisher, sound recording studio, booking agent, or artist management in order to qualify for the QMC payroll credit.

New law extends eligibility for the QMC payroll credit to applications that were submitted but that have not received final certification by July 1, 2019, and repeals the requirement that the business be a music publisher, sound recording studio, booking agent, or artist management in order to qualify for the QMC payroll.

Prior law prohibited credits from being granted for applications received on or after July 1, 2021.

New law extends authorization for the granting of credits to applications received on or after July 1, 2026.

Effective upon signature of governor (June 18, 2019).

(Amends R.S. 47:6023(B)(6), (7), and (8), (C)(1)(d)(intro. para.), and (I); Adds R.S. 47:6023(B)(9) and (C)(1)(e); Repeals R.S. 47:6023(C)(4)(a)(iv) and (J))