

LEGISLATIVE FISCAL OFFICE

Fiscal Note



Fiscal Note On: **SB 287** SLS 09RS 638

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 15, 2009	4:30 PM	Author: MARTINY
Dept./Agy.: Revenue		Analyst: Deborah Vivien
Subject: Live Performance credit for nonprofit theaters		

TAX/TAXATION

OR DECREASE GF RV See Note

Page 1 of 1

Authorizes a musical and theatrical production income tax credit for limited state-certified musical or theatrical productions. (gov sig)

Proposed law enacts a refundable and transferable income tax credit to nonprofit community theaters in the amount of 10% on total base investments between \$1 and \$300,000 per year in 2009 and 2010 on a state-certified musical or theatrical production performed in Louisiana. The theater must also have held a performance before an audience within the state during calendar year 2008 and have been certified and approved by the Department of Economic Development using provisions of the Live Performance Tax Credit program.

Effective upon governor's signature.

EXPENDITURES	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	DECREASE	DECREASE				
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

According to the Department of Economic Development, this bill would require additional personnel to administer, including a Business Development Officer and an Administrative Assistant, at a total cost of \$126,000. Additional administrative costs would depend on the number of applicants and the extent of review necessary to grant them tax credits.

REVENUE EXPLANATION

According to the Louisiana Division of the Arts, there are 54 theaters that may qualify for this tax credit, though it is not clear how many produced performances during 2008. Determination of an average base investment is uncertain though it would be related to production expenses as well as construction, repair or renovation of the facility. The maximum credit possible under this bill is \$30,000 per year per theater. Since there are no total program of annual caps on this credit, a maximum state exposure is estimated at 54 * \$300,000 * 10% = \$1.6 million in each year. However, it seems unlikely that all theaters would qualify or that all would reach the maximum base investment of \$300,000 in each fiscal year.

Senate

Dual Referral Rules

House

- 13.5.1 >= \$500,000 Annual Fiscal Cost
- 13.5.2 >= \$500,000 Annual Tax or Fee Change

- 6.8(F) >= \$500,000 Annual Fiscal Cost
- 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

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