

LEGISLATIVE FISCAL OFFICE

Fiscal Note



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

Bill Text Version: **ENROLLED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: June 30, 2009	1:25 PM	Author: MARTINY
Dept./Agy.: Revenue		Analyst: Deborah Vivien
Subject: Live Performance credit for nonprofit theaters		

TAX/TAXATION

EN -\$250,000 GF RV See Note

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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 \$25,000 and \$300,000 per year in 2009 and 2010 on a state-certified musical or theatrical production performed in Louisiana. Total amounts of credits issued cannot exceed \$250,000 per fiscal year. Applicants will be limited to the filing of two applications per per year. 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	2009-10	2010-11	2011-12	2012-13	2013-14	5 -YEAR TOTAL
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>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2009-10	2010-11	2011-12	2012-13	2013-14	5 -YEAR TOTAL
State Gen. Fd.	(\$250,000)	(\$250,000)				(\$500,000)
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>	\$0
Annual Total	(\$250,000)	(\$250,000)	\$0	\$0	\$0	(\$500,000)

EXPENDITURE EXPLANATION

Administrative costs associated with this bill are expected to be minimal and absorbed within the current budget of the Department of Economic Development.

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 limited to a total state exposure of \$250,000 per year. Without a cap, a maximum state exposure is estimated at 54 * \$30,000 * 10% = \$1.6 million in each year. However, the total program cap is \$250,000 for each year. Thus, depending on participation in the program, program annual tax credit caps may be reached in both 2009 and 2010 tax years. Maximum state exposure is depicted in the table above since there are a relatively large number of potential program participants and there is a significantly larger amount of total exposure possible were there no cap to the program's annual credits.

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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