

Regular Session, 2013

HOUSE BILL NO. 679

BY REPRESENTATIVE PONTI

TAX CREDITS: Authorizes the use of motion picture investor tax credits against severance tax

1 AN ACT

2 To amend and reenact R.S. 47:6007(C)(1)(introductory paragraph), (2), (3), (4)(introductory
3 paragraph), and (E), relative to tax credits; to provide with respect to the motion
4 picture investor income tax credit; to authorize use of the credit against severance
5 tax; to provide for applicability; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:6007(C)(1)(introductory paragraph), (2), (3), (4)(introductory
8 paragraph), and (E) are hereby amended and reenacted to read as follows:

9 §6007. Motion picture investor tax credit

10 * * *

11 C. Investor tax credit; specific productions and projects.

12 (1) There is hereby authorized a tax credit against state income ~~tax for~~
13 ~~Louisiana taxpayers~~ and severance taxes for investment in state-certified
14 productions. The tax credit shall be earned by investors at the time expenditures are
15 made by a motion picture production company in a state-certified production.
16 However, credits cannot be applied against a tax or transferred until the expenditures
17 are certified by the office and the secretary. For state-certified productions,
18 expenditures shall be certified no more than twice during the duration of a state-
19 certified production unless the motion picture production company agrees to
20 reimburse the office for the costs of any additional certifications. The tax credit shall

1 be calculated as a percentage of the total base investment dollars certified per
2 project.

3 * * *

4 (2) The credit shall be allowed against the income tax for the taxable period
5 in which either the credit is earned or ~~for the taxable period~~ in which initial
6 certification authorizes the credit to be taken. The credit shall be allowed against the
7 severance tax during any taxable period within one calendar year of the taxable
8 period in which either the credit is earned or in which initial certification authorizes
9 the credit to be taken. If the tax credit allowed pursuant to this Section exceeds the
10 amount of such taxes due for such tax period, then any unused credit may be carried
11 forward as a credit against subsequent tax liability for a period not to exceed ten
12 years.

13 (3)(a) Application of the credit for income tax.

14 ~~(a)~~ (i) All entities taxed as corporations for Louisiana income tax purposes
15 shall claim any credit allowed under this Section on their corporation income tax
16 return.

17 ~~(b)~~ (ii) Individuals, estates, and trusts shall claim any credit allowed under
18 this Section on their income tax return.

19 ~~(c)~~ (iii) Entities not taxed as corporations shall claim any credit allowed
20 under this Section on the returns of the partners or members as follows:

21 ~~(i)~~ (aa) Corporate partners or members shall claim their share of the credit
22 on their corporation income tax returns.

23 ~~(ii)~~ (bb) Individual partners or members shall claim their share of the credit
24 on their individual income tax returns.

25 ~~(iii)~~ (cc) Partners or members that are estates or trusts shall claim their share
26 of the credit on their fiduciary income tax returns.

27 (b) Application of the credit for severance tax. The credit shall be claimed
28 on the severance tax return required under R.S. 47:635.

1 (4) Transferability of the credit. Any motion picture tax credits not
 2 previously claimed by any taxpayer against its income ~~tax~~ or severance tax may be
 3 transferred or sold to another Louisiana taxpayer or to the office, subject to the
 4 following conditions:

5 * * *

6 E. Recapture of credits. If the office finds that monies for which an investor
 7 received tax credits according to this Section are not invested in and expended with
 8 respect to a state-certified production within twenty-four months of the date that such
 9 credits are earned, then the investor's state income ~~tax~~ or severance tax for such
 10 taxable period shall be increased by such amount necessary for the recapture of
 11 credit provided by this Section.

12 * * *

13 Section 2. The provisions of this Act shall be applicable to tax years beginning on
 14 or after January 1, 2014.

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)]

Ponti

HB No. 679

Abstract: Authorizes the use of motion picture investor tax credits against severance tax.

Present law authorizes an income tax credit based on motion picture production company expenditures for state-certified productions and state-certified infrastructure projects. The amount of the tax credit is equal to 30% of the total base investment dollars certified per project.

Present law authorizes an additional income tax credit equal to 10% of the payroll for La. residents employed in connection with a state-certified production; however, this additional credit shall exclude any salary for a person that exceeds \$1 million.

Proposed law retains present law and authorizes use of the aforementioned tax credits against severance tax.

Present law provided for the application, transferability, certification, and administration of the credit.

Proposed law retains present law.

Applicable to tax years beginning on or after Jan. 1, 2014.

(Amends R.S. 47:6007(C)(1)(intro. para.), (2), (3), (4)(intro. para), and (E))