
DIGEST

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HB 276 Original

2015 Regular Session

Harris

Abstract: Limits the amount of tax credits the office and the secretary can certify each calendar year beginning in 2015 and limits the amount of credits the state will pay each year beginning in 2015.

Present law provides for an income tax credit for La. taxpayers for investment in state-certified productions earned at the time expenditures are made by a motion picture production company in a state-certified production. The amount of the credit shall be equal to 30% of the base investment made by the investor if the total base investment is more than \$300,000. Additionally provides for a credit equal to 5% of base investment expended on payroll for La. residents employed in connection with a state-certified production. However, this credit does not apply to the payroll of any one person that exceeds \$1 million dollars.

Proposed law retains present law but adds a limitation on the amount of tax credits certified each calendar year by the office and the secretary regardless of the number of tax credit applications submitted by applicants. In 2015, the office shall not certify more than \$50 million in tax credits, during calendar years 2016 and 2017, the office shall not certify more than \$30 million in tax credits in each calendar year, and in calendar year 2018, the office shall not certify more than \$15 million in tax credits. Prohibits the certification of tax credits beginning in calendar year 2019.

Proposed law requires credits to be certified annually on a first-come, first-served basis. If the total amount of credits applied for in any particular year exceeds the aggregate amount of credits allowed for that year, the excess shall be treated as having been applied for on the first day of the subsequent year.

Proposed law adds an annual cap of tax credits the state will pay to all investors. In 2015, the cap is set at \$120 million, in 2016 and 2017, the cap is set at \$60 million per year, and beginning in 2018, the cap is set at \$30 million.

Effective July 1, 2015.

(Amends R.S. 47:6007(C)(1); Adds R.S. 47:6007(C)(1)(e))