

2015 Regular Session

SENATE BILL NO. 103

BY SENATOR MORRELL AND REPRESENTATIVE TALBOT

TAX/TAXATION. Excludes certain expenditures as eligible for motion picture investor tax credits. (1/1/16)

1 AN ACT

2 To amend and reenact R.S. 47:6007(B)(10), relative to motion picture investor tax credits;
3 to prohibit the eligibility of certain expenditures for the credit; and to provide for
4 related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 47:6007(B)(10) is hereby amended and reenacted to read as follows:

7 §6007. Motion picture investor tax credit

8 * * *

9 B. Definitions. For the purposes of this Section:

10 * * *

11 (10) "Production expenditures" means preproduction, production, and
12 postproduction expenditures in this state directly relating to a state-certified
13 production, including without limitation the following: set construction and
14 operation; wardrobes, makeup, accessories, and related services; costs associated
15 with photography and sound synchronization, lighting, and related services and
16 materials; editing and related services; rental of facilities and equipment; leasing of
17 vehicles; costs of food and lodging; digital or tape editing, film processing, transfer

1 of film to tape or digital format, sound mixing, special and visual effects; and
2 payroll. This term shall not include ~~expenditures~~ **the following:**

3 **(a) Expenditures** for marketing and distribution, non-production related
4 overhead, amounts reimbursed by the state or any other governmental entity, costs
5 related to the transfer of tax credits, amounts that are paid to persons or entities as
6 a result of their participation in profits from the exploitation of the production, the
7 application fee, or state or local taxes.

8 **(b) Expenditures for airfare.**

9 **(c) Expenditures for bond fees, insurance premiums, finance fees, loan**
10 **interest fees, or payments of a similar nature paid to investors in the production**
11 **unless such expenditures are made to a Louisiana financial institution as**
12 **defined in R.S. 6:2(8) or a Louisiana Business and Industrial Development**
13 **Company defined in and provided for in Chapter 39-B of Title 51 of the**
14 **Louisiana Revised Statutes of 1950 (R.S. 51:2386 et seq.) which are regulated**
15 **by the office of financial institutions and which have one or more offices in the**
16 **state.**

17 * * *

18 Section 2. The provisions of this Act shall apply to productions certified on and after
19 January 1, 2016.

20 Section 3. This Act shall become effective on January 1, 2016.

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Riley Boudreaux.

SB 103 Original DIGEST 2015 Regular Session Morrell

Present law grants a motion picture investor tax credit as a percentage of the "base investment" made and used for "production expenditures" in the state for a "state-certified production". The term "production expenditures" is defined in present law.

Proposed law prohibits expenditures for airfare or expenditures for bond fees, insurance premiums, finance fees, loan interest fees, or payments of a similar nature paid to investors in the production from being considered "production expenditures" unless the expenditures are made to a Louisiana financial institution as defined in R.S. 6:2(8) or a Louisiana Business and Industrial Development Company (BIDCO) defined in and provided for in Chapter 39-B of Title 51 (R.S. 51:2386 et seq.) and which have one or more offices in the state.

Applies to productions certified on and after January 1, 2016.

Effective January 1, 2016.

(Amends R.S. 47:6007(B)(10))