

HOUSE BILL NO. 508

BY REPRESENTATIVE JAMES AND SENATOR MORRELL

| 1 | AN ACT |
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| 2 | To amend and reenact R.S. 47:6007(C)(4)(b) and to enact R.S. 47:6007(C)(4)(g), relative |
| 3 | to motion picture production tax credits; to authorize a fee for the transfer of a |
| 4 | motion picture production credit; to establish the Louisiana Entertainment |
| 5 | Development Fund as a special treasury fund; to provide for deposits into and uses |
| 6 | of the fund; to provide for effectiveness; and to provide for related matters. |
| 7 | Be it enacted by the Legislature of Louisiana: |
| 8 | Section 1. R.S. 47:6007(C)(4)(b) is hereby amended and reenacted and R.S. |
| 9 | 47:6007(C)(4)(g) is hereby enacted to read as follows: |
| 10 | §6007. Motion picture production tax credit |
| 11 | * * * |
| 12 | C. Production tax credit; specific productions and projects. |
| 13 | * * * |
| 14 | (4) Transferability of the credit. Except as provided for in Item (f)(iii) of this |
| 15 | Paragraph, motion picture tax credits not previously claimed by any taxpayer against |
| 16 | its income tax may be transferred or sold to another Louisiana taxpayer or to the |
| 17 | office, subject to the following conditions: |
| 18 | * * * |
| 19 | (b) Transferors and transferees shall submit to the Department of Revenue |
| 20 | in writing, a notification of any transfer or sale of tax credits within ten business days |
| 21 | after the transfer or sale of such tax credits. No transfer or sale of tax credits shall |
| 22 | be effective until recorded in the tax credit registry in accordance with R.S. 47:1524. |

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1 The notification shall include the transferor's tax credit balance prior to transfer, a 2 copy of any tax credit certification letter(s) issued by the office and the secretary of 3 the Department of Economic Development the transferor's remaining tax credit 4 balance after transfer, all tax identification numbers for both transferor and 5 transferee, the date of transfer, the amount transferred, a copy of the credit 6 certificate, price paid by the transferee to the transferor, in the case when the 7 transferor is a state-certified production, for the tax credits, and any other 8 information required by the office or the Department of Revenue. For the purpose 9 of reporting transfer prices, the term "transfer" shall include allocations pursuant to 10 Paragraph (2) of this Subsection as provided by rule. The tax credit transfer value 11 means the percentage as determined by the price paid by the transferee to the 12 transferor divided by the dollar value of the tax credits that were transferred in 13 return. The notification submitted to the Department of Revenue shall include a 14 processing fee of up to two hundred dollars per transferee, and any information 15 submitted by a transferor or transferee shall be treated by the office and the 16 Department of Revenue as proprietary to the entity reporting such information and 17 therefore confidential. However, this shall not prevent the publication of summary 18 data that includes no fewer than three transactions. 19

20(g)(i) The notification submitted to the Department of Revenue shall include21a fee, for projects that apply to the office prior to July 1, 2017, of two hundred22dollars per transferee, and a fee, for projects that apply to the office on or after July231, 2017, of two percent of the tax credit transfer value, which shall be deposited upon24receipt in the state treasury.

(ii) There is hereby established in the state treasury a special treasury fund,
the Louisiana Entertainment Development Fund, hereinafter referred to as the
"fund". Out of the funds remaining in the Bond Security and Redemption Fund after
a sufficient amount is allocated from that fund to pay all obligations secured by the
full faith and credit of the state which becomes due and payable within any fiscal

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| 1 | year as required by Article VII, Section 9(B) of this constitution, the treasurer shall |
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| 2 | deposit in and credit to the fund the fees deposited as provided in this Paragraph. |
| 3 | (iii)The money in the fund shall be appropriated by the legislature as follows: |
| 4 | (AA) Twenty-five percent to the Department of Revenue for administrative |
| 5 | purposes. |
| 6 | (BB) Seventy-five percent to the Department of Economic Development, |
| 7 | office for education development initiatives, matching grants for Louisiana |
| 8 | filmmakers, a loan guarantee program, and a deal closing fund. |
| 9 | (iv) The money in the fund shall be invested by the treasurer in the same |
| 10 | manner as money in the state general fund and interest earned on the investment of |
| 11 | the money shall be credited to the fund after compliance with the requirements of |
| 12 | Article VII, Section 9(B) of the Constitution of Louisiana relative to the Bond |
| 13 | Security and Redemption Fund. All unexpended and unencumbered money in the |
| 14 | fund at the end of the year shall remain in the fund. |
| 15 | (v) The office shall promulgate rules and regulations prior to issuance of any |
| 16 | awards pursuant to the provisions of this item, in accordance with the Administrative |
| 17 | Procedure Act. |
| 18 | * * * |
| 19 | Section 2. This Act shall take effect and become operative if the Act which |
| 20 | originated as Senate Bill No. 254 of this 2017 Regular Session of the Legislature is enacted |
| 21 | and becomes effective. |

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____

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