### 2019 Regular Session

### HOUSE BILL NO. 331

#### BY REPRESENTATIVES LEGER, ABRAHAM, BAGNERIS, BOUIE, BOURRIAQUE, GARY CARTER, COX, DAVIS, DUPLESSIS, JIMMY HARRIS, HORTON, JACKSON, JENKINS, LACOMBE, MARCELLE, SCHEXNAYDER, SMITH, STOKES, AND WHITE AND SENATORS MORRELL AND PETERSON

1	AN ACT
2	To amend and reenact R.S. 47:6023(B)(6), (7), and (8), (C)(1)(d)(introductory paragraph)
3	and (I), to enact R.S. 47:6023(B)(9) and (C)(1)(e), and to repeal R.S.
4	47:6023(C)(4)(a)(iv) and (J), relative to the sound recording investor tax credit; to
5	provide for definitions; to authorize an additional tax credit for certain copyrighted
6	recordings; to limit the annual number of certain copyrighted recordings that qualify
7	for tax credits; to provide for certain requirements and limitations; to extend the
8	sunset of the tax credit; to provide for effective date; and to provide for related
9	matters.
10	Be it enacted by the Legislature of Louisiana:
11	Section 1. R.S. 47:6023(B)(6), (7), and (8), (C)(1)(d)(introductory paragraph) and
12	(I) are hereby amended and reenacted and R.S. 47:6023(B)(9) and (C)(1)(e) are hereby
13	enacted to read as follows:
14	§6023. Sound recording investor tax credit
15	* * *
16	B. Definitions. For the purposes of this Section:
17	* * *
18	(6) "Resident copyright" means the copyright of a musical composition
19	written by a Louisiana resident or owned by a Louisiana-domiciled music company
20	as evidenced by documents of ownership such as registrations with the United States
21	Copyright Office or performing rights organizations which denote authors and music
22	publishing entities.
23	(6)(7) "Sound recording" means a recording of music, poetry, or spoken-
24	word performance made in Louisiana, in whole or in part. The term "sound

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1 2 recording" shall not include the audio portions of dialogue or words spoken and recorded as part of television news coverage or athletic events.

3 "Sound recording production company" shall mean a company (7)(8)4 engaged in the business of producing sound recordings as defined in this Section. 5 Sound recording production company shall not mean or include any person or 6 company, or any company owned, affiliated, or controlled, in whole or in part, by 7 any company or person, which is in default on a loan made by the state or a loan 8 guaranteed by the state, nor which has ever declared bankruptcy under which an 9 obligation of the company or person to pay or repay public funds or monies was 10 discharged as a part of such bankruptcy.

11 (8)(9) "State-certified production" means a sound recording production, or 12 a series of productions, including but not limited to master and demonstration 13 recordings, occurring over the course of a twelve-month period, and base investment 14 related to such production or productions that are approved by the Louisiana 15 Department of Economic Development within one hundred eighty days of the receipt 16 by the Department of Economic Development of a complete application for initial 17 certification of a production. If the production is not approved within one hundred 18 eighty days, the Department of Economic Development shall provide a written report 19 to the Senate Committee on Revenue and Fiscal Affairs and the House Committee 20 on Ways and Means which states the reason that the production has not been 21 approved.

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C. Investor tax credit; state-certified productions.

(1) There is hereby authorized a credit against the state income tax for
investments made in state-certified productions. The tax credit shall be earned by
investors at the time expenditures are certified by the Louisiana Department of
Economic Development according to the total base investment certified for the sound
recording production company per calendar year; however, no credit shall be allowed
under this Section for any expenditures for which a credit was granted under R.S.
47:6007, 6022, or 6034.

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### **ENROLLED**

1	(d) Company-based QMC payroll credit. For applications for Qualified
2	Music Companies received on or after July 1, 2017, or for applications for Qualified
3	Music Companies that have been submitted but that have not received final
4	certification by July 1, 2019, to the extent that base investment is expended on
5	payroll for Louisiana residents in connection with a QMC, tax credits shall be earned
6	at the following rates:
7	* * *
8	(e) Resident copyright credit. To the extent that the base investment by a
9	QMC is expended on a sound recording production of a resident copyright, the
10	investor shall be allowed an additional ten percent increase in the base investment
11	rate.
12	* * *
13	I. No credits shall be granted pursuant to the provisions of this Section for
14	applications received on or after July 1, 2021 July 1, 2026.
15	Section 2. R.S. 47:6023(C)(4)(a)(iv) and (J) are hereby repealed in their entirety.
16	Section 3. This Act shall become effective upon signature by the governor or, if not
17	signed by the governor, upon expiration of the time for bills to become law without signature
18	by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
19	vetoed by the governor and subsequently approved by the legislature, this Act shall become
20	effective on the day following such approval.

# SPEAKER OF THE HOUSE OF REPRESENTATIVES

# PRESIDENT OF THE SENATE

# GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_