

2015 Regular Session

HOUSE BILL NO. 535

BY REPRESENTATIVE TALBOT

TAX CREDITS: Provides relative to expenses that are ineligible for motion picture investor tax credits

1 AN ACT

2 To amend and reenact R.S. 47:6007(B)(10), relative to income tax credits; to provide with  
3 respect to the motion picture investor tax credit; to exclude certain costs from the  
4 definition of production expenditures; to provide for an effective date; and to provide  
5 for related matters.

6 Be it enacted by the Legislature of Louisiana:

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

8 §6007. Motion picture investor tax credit

9 \* \* \*

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

11 \* \* \*

12 (10) "Production expenditures" means preproduction, production, and  
13 postproduction expenditures in this state directly relating to a state-certified  
14 production, including without limitation the following: set construction and  
15 operation; wardrobes, makeup, accessories, and related services; costs associated  
16 with photography and sound synchronization, lighting, and related services and  
17 materials; editing and related services; rental of facilities and equipment; leasing of  
18 vehicles; costs of food and lodging; digital or tape editing, film processing, transfer  
19 of film to tape or digital format, sound mixing, special and visual effects; and  
20 payroll. This term shall not include expenditures for marketing and distribution;

1 non-production related overhead including finance fees, airfare, interest, and  
2 insurance; amounts reimbursed by the state or any other governmental entity; costs  
3 related to the transfer of tax credits; amounts that are paid to persons or entities as  
4 a result of their participation in profits from the exploitation of the production; the  
5 application fee; or state or local taxes.

6 \* \* \*

7 Section 2. This Act shall become effective on July 1, 2015; if vetoed by the governor  
8 and subsequently approved by the legislature, this Act shall become effective on July 1,  
9 2015, or on the day following such approval by the legislature, whichever is later.

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#### 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)]

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HB 535 Original

2015 Regular Session

Talbot

**Abstract:** Provides relative to expenses that are ineligible for motion picture investor tax credits

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 the 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. Present law provides for the inclusion of production expenditures in the calculation of the motion picture investor tax credit. Present law excludes non-production related overhead expenditures from the definition of production expenditures.

Proposed law revises present law to include finance fees, airfare, interest payments, and insurance as excluded non-production related overhead expenditures for the purposes of defining production expenditures.

Effective July 1, 2015.

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