

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 748** HLS 15RS 396

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: June 3, 2015	2:03 PM	Author: STOKES
Dept./Agy.: Economic Development		
Subject: Film Credit Program Administration		Analyst: Greg Albrecht

TAX CREDITS RE NO IMPACT GF RV See Note Page 1 of 1
Provides relative to the motion picture investor tax credit and the motion picture infrastructure investor tax credit

The bill provides a number of clarifications and codifications of current practice in administering the film tax credit program including allowing productions for digital online viewing, establishing that credits are earned only when project expenditures have occurred and are certified, establishing time frames for submittals and certifications, establishes a final date for infrastructure credits, and establishing that credits are not entitlements. Establishes recourse against a transferor by the Department of Revenue if the transferor did not have rights to a credit, but does not allow recapture if the credit was obtained in good faith. Provisions are applicable for initial certifications issued on or after January 1, 2016.

Effective upon governor's signature.

EXPENDITURES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

The Department of Economic Development already considers distribution through online platforms as eligible for the program (as only a distribution plan is required, not a specific type of distribution).

The infrastructure credit expired in December of 2008. This bill establishes final dates for submitting documentation (December 31, 2015) and for certifying credits (July 1, 2017).

Various other changes also do not appear to expand or contract the program and are not likely to change overall program costs.

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|---|----------------------------|--------------|--|
| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 Rev. Red. to State {H & S} |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | | | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |


John D. Carpenter
Legislative Fiscal Officer