

2017 Regular Session

HOUSE BILL NO. 631

BY REPRESENTATIVE JAY MORRIS

TAX CREDITS: Provides relative to the cap on the amount of motion picture production tax credits paid each year

1 AN ACT

2 To enact R.S. 47:6007(C)(1)(d)(ii)(dd), relative to income tax credits; to provide with
3 respect to the motion picture production tax credit; to provide for an annual cap on
4 the amount of credits certified by the office; to provide for certain limitations; to
5 provide for an effective date; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:6007(C)(1)(d)(ii)(dd) is hereby enacted to read as follows:

8 §6007. Motion picture production tax credit

9 * * *

10 C. Production tax credit; specific productions and projects.

11 (1)

12 * * *

13 (d)

14 * * *

15 (ii)(aa)

16 * * *

17 (dd) Beginning July 1, 2017, through December 31, 2018, the aggregate
18 amount of tax credits for applications by state-certified productions submitted on or
19 after July 1, 2017, that may be certified by the office pursuant to the provisions of
20 this Section shall not exceed one hundred eighty million dollars. Each calendar year

1 thereafter, the aggregate amount of tax credits for applications by state-certified
2 productions that may be certified by the office pursuant to the provisions of this
3 Section shall not exceed one hundred eighty million dollars. All applications
4 receiving final certification on the same business day shall be treated as receiving
5 final certification at the same time and if the aggregate amount of applications on a
6 single business day exceed the total allotment of tax credits for that year, all tax
7 credits received on that day shall be approved on a pro rata basis. Any taxpayer who
8 received a pro rata reduction to a tax credit shall be given first priority for receiving
9 the balance of his tax credit from the tax credit allotment for the subsequent year.
10 Any application receiving final certification by the office after the total tax credit
11 allotment for that year is exhausted shall be treated as having received final
12 certification on the first day of the subsequent year.

* * *

14 Section 2. This Act shall become effective upon signature by the governor or, if not
15 signed by the governor, upon expiration of the time for bills to become law without signature
16 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
17 vetoed by the governor and subsequently approved by the legislature, this Act shall become
18 effective on the day following such approval.

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)]

HB 631 Original

2017 Regular Session

Jay Morris

Abstract: Adds a \$180M front-end cap on the amount of credits that may be certified each calendar year by the office.

Present law provides for an income tax credit for expenditures related to state-certified productions. The tax credit shall be earned and may be applied against a tax or transferred by a motion picture production company at the time expenditures are certified by the office and the secretary.

Present law limits the amount of claims against state income tax allowed on returns for tax credits or transfers of such tax credits to the office to an aggregate total of \$180M for FY 2016, 2017, and 2018. Present law provides for the payment and claiming of credits for FY 2016, 2017, and 2018. If less than \$180M of credits and transfers are claimed in a fiscal year, the remaining amount, plus any amounts remaining from previous fiscal years, shall

be added to the \$180M limit of subsequent fiscal years until that amount of tax credits or tax credit transfers to the office are claimed and allowed.

Proposed law retains present law but adds a limitation on the aggregate amount of tax credits that may be *certified* by the office each calendar year. Further provides that beginning July 1, 2017 through Dec. 31, 2018, the aggregate amount of tax credits that may be *certified* by the office shall not exceed \$180M and each *calendar year* thereafter, the aggregate amount of tax credits that may be certified shall not exceed \$180M.

Present law requires claims for tax credits or transfers of tax credits to be allowed on a first-come, first-served basis. Any taxpayer whose claim for tax credits is disallowed may use the tax credits against state income tax due in a return filed in the next fiscal year or may transfer tax credits to the office the next fiscal year, and his claim or transfer shall have priority over other claims filed or transfers applied for after the date and time of his original claim or application for transfer.

Proposed law retains present law but adds that all applications receiving *final certification* on the same business day shall be treated as receiving final certification at the same time and if the aggregate amount of applications on a single business day exceed the total allotment of tax credits for that year, all tax credits received on that day shall be approved on a pro rata basis. Any taxpayer who received a pro rata reduction to a tax credit shall be given first priority for receiving the balance of his tax credit from the tax credit allotment for the subsequent year. Any application receiving final certification by the office after the total tax credit allotment for that year is exhausted shall be treated as having received final certification on the first day of the subsequent year.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 47:6007(C)(1)(d)(ii)(dd))