
HOUSE COMMITTEE AMENDMENTS

2017 Regular Session

Amendments proposed by House Committee on Ways and Means to Original House Bill No. 646 by Representative Leger

1 AMENDMENT NO. 1

2 On page 1, at the end of line 2, delete "(B)(1)," and insert "(B),"

3 AMENDMENT NO. 2

4 On page 1, line 3, after "and (b)" delete the remainder of the line and insert "and" and delete
5 lines 4 and 5 in their entirety and insert the following:

6 "(3)(introductory paragraph), (D)(1)(introductory paragraph), (2)(c), (d), and (e), and
7 (4), (E), and (I), to enact R.S. 47:6023(C)(1)(c) and (d), (4), and (5), and to repeal
8 R.S. 47:6023(A)(2) and (D)(1), relative to tax credits; to provide with"

9 AMENDMENT NO. 3

10 On page 1, line 7, after "reports;" insert the following:

11 "to provide for definitions; to provide for administration of the tax credit; to provide
12 with respect to certain tax certification letters; to provide for certain requirements
13 and limitations; to provide with respect to review of the tax credit program; to
14 authorize the promulgation of rules and regulations; to provide for the termination
15 of the tax credit program;"

16 AMENDMENT NO. 4

17 On page 1, at the end of line 10, delete "(B)(1)," and insert "(B),"

18 AMENDMENT NO. 5

19 On page 1, line 11, after "and (b)" insert "and" and delete the remainder of the line in its
20 entirety and delete line 12 in its entirety and insert the following:

21 "(3)(introductory paragraph), (D)(1)(introductory paragraph), (2)(c), (d), and (e), and
22 (4), (E), and (I) are hereby amended and reenacted and R.S. 47:6023(C)(1)(c) and
23 (d), (4), and (5) are hereby enacted"

24 AMENDMENT NO. 6

25 On page 2, line 10, after "costs" insert "and QMC payroll expenditures for Qualified Music
26 Companies approved by the office and the secretary on or after July 1, 2017"

27 AMENDMENT NO. 7

28 On page 2, delete line 15 in its entirety and insert the following:

29 "(2) "Expended in the state" or an "expenditure in the state" means an
30 expenditure to acquire property from a source within the state which is subject to
31 state sales or use tax, or an expenditure as compensation for services performed
32 within the state which is subject to state income tax.

33 (3) "New jobs" means full-time employment in Louisiana of an average of
34 thirty hours or more per week, filled by Louisiana residents at the project site

1 designated in the contract, who were not previously on the QMC's payroll in
 2 Louisiana, nor previously on the payroll of such QMC's parent entity, subsidiary, or
 3 affiliate in Louisiana, or previously on the payroll of any business whose physical
 4 location and employees are substantially the same as those of the QMC in Louisiana,
 5 as approved by the Secretary.

6 (4) "Qualified Music Company" or "QMC" means an entity authorized to do
 7 business in Louisiana, engaged directly or indirectly in the production, distribution
 8 and promotion of music, certified by the secretary as meeting the eligibility
 9 requirements of this Section, and executing a contract providing the terms and
 10 conditions for its participation.

11 (5) "QMC payroll" means wages reported in box 1 on a W-2 form.

12 (6) "Sound recording" means a recording of music, poetry, or spoken-word
 13 performance made in Louisiana, in whole or in part. The term "sound recording"
 14 shall not include the audio portions of dialogue or words spoken and recorded as part
 15 of television news coverage or athletic events.

16 ~~(4)~~ (7) "Sound recording production company" shall mean a company
 17 engaged in the business of producing sound recordings as defined in this Section.
 18 Sound recording production company shall not mean or include any person or
 19 company, or any company owned, affiliated, or controlled, in whole or in part, by
 20 any company or person, which is in default on a loan made by the state or a loan
 21 guaranteed by the state, nor which has ever declared bankruptcy under which an
 22 obligation of the company or person to pay or repay public funds or monies was
 23 discharged as a part of such bankruptcy.

24 ~~(5)~~ (8) "State-certified production" means a sound recording production, or
 25 a series of productions occurring over the course of a twelve-month period, and base
 26 investment related to such production or productions that are approved by the
 27 Louisiana Department of Economic Development within one hundred eighty days
 28 of the receipt by the Department of Economic Development of a complete
 29 application for initial certification of a production. If the production is not approved
 30 within one hundred eighty days, the Department of Economic Development shall
 31 provide a written report to the Senate Committee on Revenue and Fiscal Affairs and
 32 the House Committee on Ways and Means which states the reason that the
 33 production has not been approved.

34 ~~(6)~~ "State-certified sound recording infrastructure project" means a sound
 35 recording capital infrastructure project and base investment related to such project
 36 that are approved by the Louisiana Department of Economic Development within
 37 one hundred eighty days of the receipt by the Department of Economic Development
 38 of a complete application for initial certification of an infrastructure project. If the
 39 infrastructure project is not approved within one hundred eighty days, the
 40 Department of Economic Development shall provide a written report to the Senate
 41 Committee on Revenue and Fiscal Affairs and the House Committee on Ways and
 42 Means which states the reason that the infrastructure project has not been approved."

43 AMENDMENT NO. 8

44 On page 2, line 17, after "(1)" and before "is" delete "Until January 1, 2022, there" and insert
 45 "There"

46 AMENDMENT NO. 9

47 On page 2, at the end of line 24, before the period "." insert a comma "," and insert "6022,
 48 or 6034"

1 AMENDMENT NO. 10

2 On page 3, delete lines 3 through 29 in their entirety and on page 4, delete lines 1 through
3 10 in their entirety and insert the following:

4 (c) Project based production credit. For applications for state-certified
5 productions received on or after July 1, 2017, each investor shall be allowed a tax
6 credit of eighteen percent of the base investment made by that investor in excess of
7 twenty-five thousand dollars. However, if the investor who is applying for the tax
8 credit is a Louisiana resident, the eighteen percent tax credit shall be allowed on base
9 investments which exceed ten thousand dollars.

10 (d) Company based QMC payroll credit. For applications for Qualified
11 Music Companies received on or after July 1, 2017, to the extent that base
12 investment is expended on payroll for Louisiana residents in connection with a
13 QMC, tax credits shall be earned at the following rates:

14 (i) Tier 1. A payroll credit of ten percent shall be earned for each new job
15 whose QMC payroll is equal to or greater than thirty-five thousand dollars per year,
16 up to sixty-six thousand dollars per year.

17 (ii) Tier 2. A payroll credit of fifteen percent shall be earned for each new
18 job whose QMC payroll is equal to or greater than sixty-six thousand dollars per
19 year, but no greater than two hundred thousand dollars per year.

20 * * *

21 (3) Except as otherwise provided in this Paragraph, the aggregate amount of
22 credits certified for all investors pursuant to this Section during any calendar year
23 shall not exceed two million one hundred sixty thousand dollars. However, fifty
24 percent of the aggregate amount of credits certified each year shall be reserved for
25 QMCs. No more than one hundred thousand dollars in tax credits may be granted
26 per project, per calendar year.

27 * * *

28 (4)(a) Company based QMC payroll credit. A business shall be eligible for
29 participation in the program if the business meets all of the following criteria:

30 (i) The business is engaged directly or indirectly in the production,
31 distribution, and promotion of music.

32 (ii) The business creates a minimum of three new jobs meeting or exceeding
33 the Tier 1 minimum wage requirements, in accordance with the provisions of
34 Subparagraph (C)(1)(d) of this Section.

35 (iii) The business is approved by the secretary of the Department of
36 Economic Development.

37 (iv) The business is a music publisher, sound recording studio, booking
38 agent, or artist management. The secretary, in his discretion may approve other
39 businesses which are related to the music and sound recording industry which
40 permanently locate or expand existing operations in Louisiana.

41 (b) Notwithstanding the amount of the credit earned by the investor pursuant
42 to this Section, application of tax credits earned and claimed against an investor's
43 income tax liability shall never reduce the investor's income tax liability below fifty
44 percent of the amount of the liability prior to application of the credit. Any excess
45 credit may be carried forward for up to five years and shall be applied against the

1 subsequent income tax liability of the taxpayer."

2

3 AMENDMENT NO. 11

4 On page 4, at the beginning of line 11, delete "(4)" and insert "(5)"

5 AMENDMENT NO. 12

6 On page 5, delete lines 11 through 23 in their entirety and insert the following:

7 "(aa) One thousand five hundred dollars for verification of a cost report
8 reflecting expenditures of at least ten thousand dollars but less than twenty-five
9 thousand dollars.

10 (bb) Three thousand dollars for verification of a cost report reflecting
11 expenditures of at least twenty-five thousand dollars but less than fifty thousand
12 dollars.

13 (cc) Five thousand dollars for verification of a cost report reflecting
14 expenditures of at least fifty thousand dollars, but less than one hundred thousand
15 dollars.

16 (dd) Seven thousand five hundred dollars for verification of a cost report
17 reflecting expenditures of more than one hundred thousand dollars."

18 AMENDMENT NO. 13

19 On page 6, at the beginning of line 6, after "(e)" delete the remainder of the line in its
20 entirety and delete line 7 in its entirety and insert the following:

21 "Qualified Music Companies may submit one request for final certification of tax
22 credits per calendar year and state-certified productions may request final
23 certification of credits upon project completion by"

24 AMENDMENT NO. 14

25 On page 7, between lines 3 and 4, insert the following:

26 "E. Tax credit certification letter for project based tax credit. After
27 certification, the Louisiana Department of Economic Development shall submit the
28 tax credit certification letter to the Department of Revenue on behalf of the investor
29 who earned the sound recording tax credits. The Department of Revenue may
30 require the investor to submit additional information as may be necessary to
31 administer the provisions of this Section. Upon receipt of the tax credit certification
32 letter and any necessary additional information, the secretary of the Department of
33 Revenue shall make payment to the investor in the amount to which he is entitled
34 from the current collections of the taxes collected pursuant to Chapter 1 of Subtitle
35 II of this Title, as amended.

36 * * *

37 ~~I. Commencing no later than January 31, 2016, the House Committee on~~
38 ~~Ways and Means and the Senate Committee on Revenue and Fiscal Affairs shall~~
39 ~~review the credit authorized pursuant to the provisions of this Section to determine~~
40 ~~if the economic benefit provided by such credit outweigh the loss of revenue realized~~
41 ~~by the state as a result of awarding such credit. The House and Senate committees~~
42 ~~shall make a specific recommendation no later than March 1, 2017, to either continue~~
43 ~~the credit or to terminate the credit. No credits shall be allowed pursuant to the~~
44 ~~provisions of this Section for applications received on or after January 1, 2022."~~