

2025 Regular Session

SENATE BILL NO. 232

BY SENATOR BASS

TAX/TAXATION. Provides relative to the motion picture production tax credit. (7/1/25)

1 AN ACT

2 To amend and reenact R.S. 47:6007(B)(11) and (18), the introductory paragraph of
3 (C)(1)(a), the introductory paragraph of (C)(1)(b), (J)(3) and (4), and to enact R.S.
4 47:6007(C)(1)(d), relative to the motion picture production tax credit program; to
5 rename the office of entertainment industry development for purposes of the
6 program; to provide relative to definitions; to authorize a credit in accordance with
7 program rules for projects meeting certain requirements; to provide relative to
8 applications; to provide for rule promulgation; to provide relative to maximum credit
9 amounts; to provide for an effective date; and to provide for related matters.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 47:6007(B)(11) and (18), the introductory paragraph of (C)(1)(a), the
12 introductory paragraph of (C)(1)(b), and (J)(3) and (4) are hereby amended and reenacted
13 and R.S. 6007(C)(1)(d) is hereby enacted to read as follows:

14 §6007. Motion picture production tax credit

15 * * *

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

17 * * *

(11) "Louisiana promotional graphic" means a graphical brand or logo for promotion of the state which has been approved by the office in accordance with program rules. ~~for a production and consists of the following:~~

~~(a) Either of the following:~~

~~(i) Up to a five-second long static or animated graphic that promotes Louisiana in the end credits before the below-the-line crew crawl for the life of the production.~~

~~(ii) Up to a five-second long static or animated embedded graphic that promotes Louisiana during each broadcast worldwide, in the end credits before the below-the-line crew crawl for the life of the production.~~

~~(b) An electronic press kit or a customized video for use by the office or an alternative asset as determined by the office.~~

* * *

(18) "Office" ~~means the Governor's Office of Film and Television Development until August 15, 2006; thereafter, the term "office" means the office of entertainment industry development in Louisiana Economic Development provided for in R.S. 51:938.1~~ until July 1, 2025, and thereafter means the office of economic development in Louisiana Economic Development.

* * *

C. Production tax credit; specific productions and projects.

(1) * * *

(a) Project-based production tax credit. For applications for state-certified productions on or after July 1, 2017, and before July 1, 2025:

* * *

(b) Company-based QEC payroll tax credit for Qualified Entertainment Companies approved by the office and the secretary on or after July 1, 2017, and before July 1, 2025. To the extent that base investment is expended on payroll for Louisiana residents in connection with a QEC, tax credits shall be earned at the following rates:

* * *

(d) For applications for state-certified productions or Qualified Entertainment Companies approved by the office and the secretary on or after July 1, 2025, there is hereby authorized a tax credit of up to forty percent for approved projects, in accordance with program rules, and pursuant to the program issuance cap provisions in Subparagraph (J)(1)(d) of this Section.

(i) It is the intent of the Louisiana Legislature that the benefits provided in this Section should be used primarily to support the state's commitment to the motion picture production industry.

(ii) Louisiana Economic Development shall consider various discretionary factors when determining which applications will be approved, including but not limited to the estimated economic impact, the disbursement of funding statewide, the availability of funding and the best interest of the state.

(iii) Louisiana Economic Development shall promulgate rules for the administration of the program in accordance with the Administrative Procedure Act; however, prior to such rules taking effect, all rules shall be approved by the House Committee on Ways and Means and the Senate Committee on Revenue and Fiscal Affairs. In order to expedite implementation of the provisions of this Subparagraph, Louisiana Economic Development shall utilize emergency rulemaking for the promulgation of the initial administrative rules.

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J. Credit caps, structured pay outs, and project size limitations.

* * *

(3) Louisiana Economic Development individual project issuance cap.

(a) Project-based production tax credit. For applications for state-certified productions on or after July 1, 2017, **and before July 1, 2025**, the maximum amount of credits that may be granted for a single state-certified production shall not exceed

1 twenty million dollars, except for state-certified productions for scripted episodic
 2 content that may be granted up to twenty-five million dollars per season.

3 (b) Company-based QEC payroll tax credit. For applications for qualified
 4 entertainment company contracts on or after July 1, 2017, **and before July 1, 2025**,
 5 the maximum amount of credits that may be granted for a single company shall not
 6 exceed one million dollars per year.

7 (4) Louisiana Economic Development individual payroll cap.

8 (a) Project-based production tax credit. For applications for state-certified
 9 productions on or after July 1, 2017, **and before July 1, 2025**, the maximum amount
 10 of qualifying payroll expenditures made for the services rendered by an individual,
 11 whether directly to an individual, or indirectly through a loan out company, shall be
 12 three million dollars per person and no tax credits shall be earned for payroll
 13 expenditures in excess of three million dollars per person.

14 (b) Company-based QEC payroll tax credit. For applications for qualified
 15 entertainment company contracts on or after July 1, 2017, **and before July 1, 2025**,
 16 the maximum amount of qualifying QEC payroll expenditures shall be two hundred
 17 thousand dollars per person, for each employee as reported on a Form W-2, and no
 18 tax credits shall be earned for payroll expenditures in excess of two hundred
 19 thousand dollars per person.

20 * * *

21 Section 2. This Act shall become effective on July 1, 2025; if vetoed by the governor
 22 and subsequently approved by the legislature, this Act shall become effective on the day
 23 following such approval by the legislature or July 1, 2025, whichever is later.

The original instrument and the following digest, which constitutes no part
 of the legislative instrument, were prepared by Senate Legislative Services.
 The keyword, summary, 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)]

DIGEST

SB 232 Reengrossed

2025 Regular Session

Bass

Present law provides a credit for motion picture productions in Louisiana and allows a taxpayer to transfer motion picture production credits back to the La. Dept. of Revenue for a reduced rate.

Proposed law retains present law.

Present law defines "office" to mean the office of entertainment industry development in Louisiana Economic Development (LED).

Proposed law repeals present law and defines the term "office" to mean the office of economic development in Louisiana Economic Development on or after July 1, 2025.

Present law defines "Louisiana promotional graphic" to mean a graphical brand or logo for promotion of the state which has been approved by the office and meets certain specific requirements.

Proposed law repeals the specific requirements and instead allows LED to set those requirements by program rule and otherwise retains present law.

Present law authorizes a project-based production tax credit of up to 40% which may include combinations of the following:

- (1) A base investment credit of 25% of base investment that is greater than \$300,000.
- (2) A five percent base investment credit increase if the production office and 60% of principal photography is based and occurring outside of New Orleans.
- (3) A 10% credit increase on production expenditures equal or greater than \$50,000 but not more than \$5M for a screenplay created by a Louisiana resident.
- (4) A 15% credit increase on base investment on payroll for Louisiana residents.
- (5) A five percent increase on base investment of visual effects expenditures if at least 50% of visual effects budget or a minimum of \$1M of visual effects budget is expended on services performed in Louisiana.

Proposed law repeals present law for applications approved on or after July 1, 2025, and instead authorizes a tax credit of up to 40% credit in accordance with program rules and the annual cap provisions of present law.

Present law authorizes a payroll credit of either:

- (1) 15% for each new job whose Qualified Entertainment Compares (QEC) payroll is equal to or greater than \$45,000 but no more than \$66,000 per year.
- (2) 20% for each new job whose QEC payroll is equal to or greater than \$66,000 but no greater than \$200,000 per year.

Proposed law repeals present law for applications of state-certified productions after July 1, 2025.

Proposed law authorizes LED to consider discretionary factors in approving applications, including but not limited to estimated economic impact, disbursement of funding statewide, availability of funding and the best interest of the state.

Proposed law authorizes LED to promulgate rules for the administration of the program in accordance with the APA; however, the rules must be approved by the House Committee on Ways and Means and the Senate committee on Revenue and Fiscal Affairs before they can take effect. Further authorizes LED to utilize emergency rulemaking for the promulgation of the initial administrative rules.

Present law authorizes the following project issuance tax credits caps:

- (1) \$20M credit cap on a single state-certified production, except that state-certified productions for scripted episodic content that may be granted up to \$25M tax credit per season.
- (2) \$1M per year cap on the amount of company-based QEC payroll tax credit for a single company.

Proposed law repeals present law for applications of state-certified productions after July 1, 2025.

Present law authorizes the following individual payroll caps:

- (1) \$3M cap on qualifying payroll for the services rendered by an individual, and no tax credits shall be earned for payroll expenditures in excess of \$3M per person.
- (2) \$200,000 cap on qualifying QEC payroll expenditures for each employee as reported on a Form W-2, and no tax credits shall be earned for payroll expenditures in excess of \$200,000 per person.

Proposed law repeals present law for applications of state-certified productions after July 1, 2025.

(Amends R.S. 47:6007(B)(11) and (18),(C)(1)(a)(intro para),(C)(1)(b)(intro para), (J)(3) and (4); adds R.S. 47:6007(C)(1)(d))

Summary of Amendments Adopted by Senate

Senate Floor Amendments to engrossed bill

1. Amend definition of the term "Louisiana promotional graphic".
2. Require rules be approved by the House Committee on Ways and Means and the Senate committee on Revenue and Fiscal Affairs before they can take effect.
3. Make technical changes.