
The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Riley Boudreaux.

DIGEST

Present law provides for the digital interactive media producer tax credit which is applicable to income and corporation franchise taxes. The tax credit is transferable.

Proposed law retains present law for credits earned for expenditures made on or before Dec. 31, 2011. Proposed law changes the name of the tax credit from digital interactive media and producer tax credit to digital interactive media and software development tax credit.

Proposed law changes present law for tax credits earned for expenditures made on or after Jan. 1, 2012. The applicability of the tax credit is changed from a transferable tax credit to a refundable tax credit which may be converted to a rebate equal to 85% of the face value of the tax credit.

Proposed law authorizes a company to elect on a one-time basis, at the time of final certification of the tax credit, to receive a rebate in lieu of a tax credit. The amount of the rebate is 85% of the face value of the credit. Rebates are payable by the secretary of the Dept. of Revenue from current collections.

Present law authorizes credits to be earned at a percentage of "base investment" which is defined as actual funds expended in Louisiana by a state-certified production as production-related costs.

Proposed law specifies that "production expenses" shall not include food, entertainment and lodging expenses, and administrative, payroll, and management services which are not directly related to management of the state-certified production.

Present law requires administrative rules promulgated by the Dept. of Economic Development to be approved by the House Committee on Ways and Means and the Senate Committee on Revenue and Fiscal Affairs before taking effect.

Proposed law retains present law and requires that oversight by those committees be conducted in accordance with the Administrative Procedure Act.

Proposed law specifies that a company seeking to participate in the tax credit program must apply to the department through an application process established by the department.

Present law provides for "initial certification" for a company seeking to participate in the tax credit program.

Proposed law retains present law and specifies that an initial certification shall be limited to expenses incurred no more than six months prior to the date of initial certification.

Present law restricts a project which earns a tax credit authorized under present law from eligibility for tax credits or rebates provided under the La. Quality Jobs Program Act.

Proposed law retains present law and broadens the restriction to include any state tax credit, exemption, exclusion, deduction, rebate, or any other tax benefit for any expenditures for which the taxpayer has earned a tax credit under proposed law.

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

(Amends R.S. 47:6022(A), (C)(4)(c)(i), (5), (10)(b), and (14), (D)(2), and (E) - (J); repeals R.S. 47:6022(K))