



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 219** SLS 11RS 458

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 28, 2011	9:19 AM	Author: MILLS
Dept./Agy.: Local Government		
Subject: Special Local District For Film Production Tax Exemptions		Analyst: Greg Albrecht

TAX EXEMPTIONS

OR DECREASE LF RV See Note

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Creates the Acadiana Cultural and Entertainment Special District and authorizes certain parishes within the district to provide an exemption from their sales tax for purchases by a motion picture production company for a specific state-certified movie

Creates the Acadiana Cultural and Entertainment Special District composed of the parishes of St. Martin, Vermillion, Acadia, Iberia, St. Landry, and Lafayette (by latest federal decennial census population ranges). Any taxing authority in any parish in the District may provide a local sales and use tax exemption for expenditures made by state-certified motion picture companies. The exemptions granted shall require a separate action be adopted for each production. Exemptions can not be granted to any tax which secures bonds if the exemption will affect or impair the security of the bonds.

Effective upon governor's signature.

EXPENDITURES	2011-12	2012-13	2013-14	2014-15	2015-16	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	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2011-12	2012-13	2013-14	2014-15	2015-16	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	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
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

While the state film office does not track or identify productions by parish, it does point out that currently most productions occur in four areas of the state: New Orleans, Baton Rouge, Shreveport, and Lafayette.

The bill appears to intend to provide a cost advantage to film production and associated spending in the parishes of the special District relative to other parishes. To the extent this successfully shifts production activity and spending, locales granting exemptions will forego sales tax on those expenditures. Since the sales tax is one of the major revenue sources at the local level, if not the primary revenue source, it is unlikely that locales granting exemption will recoup this foregone tax revenue from other tax sources. In addition, locales where productions are currently occurring will lose revenue they are currently receiving from the spending in their areas. Thus, net local revenue losses are likely.

From a statewide perspective, there is no material effect expected. The bill may encourage activity in certain locales rather than others, but overall statewide activity is not likely to be changed. In the early periods of the state film subsidy program a state sales tax exemption was available. This exemption was little used and was allowed to expire in 2006.

Senate	Dual Referral Rules	House	
☐ 13.5.1 >= \$100,000 Annual Fiscal Cost		☐ 6.8(F) >= \$100,000 Annual SGF Cost	
☐ 13.5.2 >= \$500,000 Annual Tax or Fee Change		☐ 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease	H. Gordon Monk Legislative Fiscal Officer