

Regular Session, 2011

SENATE BILL NO. 219

BY SENATORS MILLS AND MARIONNEAUX

TAX EXEMPTIONS. 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 production by that company. (gov sig)

AN ACT

To enact R.S. 47:337.11.2, relative to exemption from the sales and use taxes of political subdivisions; to create the Acadiana Cultural and Entertainment Special District and authorize certain parishes within the district to provide a certain exemption from their sales and use taxes; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 47:337.11.2 is hereby enacted to read as follows:

§337.11.2. Acadiana Cultural and Entertainment Special District; optional exemption

A. The Legislature of the State of Louisiana hereby finds that motion picture production generated by Louisiana Motion Picture Investor Tax Credits has been a benefit for the state. The Louisiana Entertainment 2011 Economic Impact Study estimates that over the course of the three years covered in the study motion picture productions will have spent approximately one hundred five billion dollars in Louisiana. To date, the typical production is spending eighty percent of its budget in the state - and even blockbuster size films with budgets in excess of twenty million dollars spend fifty percent. And these

1 percentages have steadily increased. From 2008 to 2010, productions averaged
2 ninety-two per year. However, the legislature also finds that, unfortunately, the
3 productions, and therefore their spin-off economic benefits, have tended to be
4 focused in certain regions of the state. Many areas have received far less movie-
5 making activity than others. Therefore, it is the determination and intention of
6 the legislature in enacting this Act to provide another tax incentive tool to
7 induce the location of movie picture production in some of those heretofore
8 neglected areas.

9 B. There is hereby created the Acadiana Cultural and Entertainment
10 Special District composed of all the parishes with the following populations
11 according to the latest federal decennial census:

12 (1) Any parish with a population between 50,000 and 52,250.

13 (2) Any parish with a population between 56,000 and 90,000.

14 (3) Any parish with a population between 200,000 and 230,000.

15 C. Any taxing authority within any parish in the ACES District may
16 provide for an exemption from their sales and use tax for the sales, purchases,
17 or leases and rentals by a motion picture production company for a specific
18 state-certified production by that company, all as set forth in the instrument,
19 resolution, vote, or other affirmative action providing the exemption. A separate
20 action providing an exemption shall be necessary for each state-certified
21 production granted the exemption.

22 D. For purposes of this Section, the following words and terms shall have
23 the following meanings:

24 (1) "ACES District" means the Acadiana Cultural and Entertainment
25 Special District.

26 (2) "Motion picture production company" shall have the same meaning
27 as provided for in R.S. 47:6007(B)(6).

28 (3) "State-certified production" means a production approved for
29 Louisiana Motion Picture Investor Tax Credits by the office of entertainment

industry development in the Department of Economic Development.

E. The exemption provided for in this Section shall not be granted on any tax in effect on the date of the grant which secures bonds if the grant will affect or impair the security of such bonds.

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

The original instrument was prepared by Riley Boudreaux. The following digest, which does not constitute a part of the legislative instrument, was prepared by Danielle Doiron.

DIGEST

Mills (SB 219)

Proposed law creates the Acadiana Cultural and Entertainment Special District composed of all the parishes with the following populations according to the latest federal decennial census:

- (1) Any parish with a population between 50,000 and 52,250.
- (2) Any parish with a population between 56,000 and 90,000.
- (3) Any parish with a population between 200,000 and 230,000.

Authorizes any taxing authority within any parish within the district to provide for an exemption from their sales tax for the sales, purchases, or leases and rentals by a "motion picture production company" for a specific "state-certified production" by that company, all as set forth in the instrument, resolution, vote, or other affirmative action providing the exemption. A separate action providing an exemption is required for each state-certified production granted the exemption.

"Motion picture production company" has the same meaning as is provided in the Louisiana Motion Picture Investor Tax Credits law, R.S. 47:6007(B)(6). "State-certified production" also is defined as a production approved by the office of entertainment industry development in the Department of Economic Development for the credits.

Proposed law prohibits granting the exemption for any tax in effect on the date of the grant which secures bonds if the grant will affect or impair the security of such bonds.

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

(Adds R.S. 47:337.11.2)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal
Affairs to the original bill.

1. Changes the population range "between 200,000 and 220,000" to "between 200,000 and 230,000".