

Regular Session, 2011

SENATE BILL NO. 264

BY SENATOR CHAISSON

TAX/TAXATION. Provides for motion picture investor tax credits. (gov sig)

1 AN ACT

2 To amend and reenact R.S. 47:6007(B)(7) and (C)(2) and (4) and to enact R.S.
3 47:6007(B)(15) and (C)(1)(c)(iii), relative to tax credits; to provide for granting
4 motion picture investor tax credits; to provide for definitions, allowing the credits,
5 and transferability; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:6007(B)(7) and (C)(2) and (4) are hereby amended and reenacted
8 and R.S. 47:6007(B)(15) and (C)(1)(c)(iii) are hereby enacted to read as follows:

9 §6007. Motion picture investor tax credit

10 * * *

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

12 * * *

13 (7) "Office" means ~~the Governor's Office of Film and Television~~
14 ~~Development until August 15, 2006; thereafter, the term "office" means the office~~
15 of entertainment industry development in the Department of Economic Development
16 provided for in R.S. 51:938.1.

17 * * *

C. Investor tax credit; specific productions and projects.

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* * *

(I) The aggregate total base investment expended in the state within any fiscal year commencing on or after July 1, 2011, on state-certified productions

1 is equal to or greater than fifty million dollars.

2 (II) The total base investment expended on each such state-certified
3 production is fifty percent or more of the total production expenditures, both
4 in state and out of state, for each such production as determined by the office.

5 (BB) However, the tax credit provided for in this Subparagraph shall not
6 apply to that portion of the base investment which are production expenditures
7 of those employed in connection with the state-certified productions who are not
8 Louisiana residents.

9 (CC) As used in this Item, the term "approved investor" means an
10 investor which, together with any other persons or entities which, directly or
11 indirectly, wholly own such investor or are wholly owned by such investor as
12 determined by the office, has demonstrated a long term commitment to the film
13 industry in the state of Louisiana by expending, on or after July 1, 2011, five
14 million dollars or more in the construction of film production servicing and
15 support facilities in Louisiana approved by the office.

16 * * *

17 (2) The credit shall be allowed against the income tax for the ~~taxable period~~
18 ~~tax year~~ in which the credit is earned or for the ~~taxable period~~ **tax year** in which
19 initial certification authorizes the credit to be taken. If the tax credit allowed pursuant
20 to this Section exceeds the amount of such taxes due for such tax period, then any
21 unused credit may be carried forward as a credit against subsequent tax liability for
22 a period not to exceed ten years.

23 * * *

24 (4) Transferability of the credit. Any motion picture **investor** tax credits not
25 previously claimed by any taxpayer against its income tax may be transferred or sold
26 to another Louisiana taxpayer or to the office, subject to the following conditions:

27 * * *

28 Section 2. This Act shall become effective upon signature by the governor or, if not
29 signed by the governor, upon expiration of the time for bills to become law without signature

1 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 2 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 3 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 Linda Nugent.

DIGEST

Chaisson (SB 264)

Proposed law provides in lieu of the additional five percent credit for payroll contained in present law, an approved investor may take an additional tax credit of five percent of the total base investment in the state if the following conditions are met:

1. The aggregate total base investment expended in the state within any fiscal year beginning on or after July 1, 2011, on state-certified productions is at least \$50 million.
2. The total base investment expended on each production is at least 50% of the total production expenditures, both in state and out of state, for each production.

Proposed law restricts the proposed tax credit to the portion of the base investment which are production expenditures of employees who are Louisiana residents.

Proposed law defines approved investor as one which has expended on or after July 1, 2011, at least \$5 million in the construction of film production servicing and support facilities in Louisiana.

Proposed law specifies the administrator of motion picture investor tax credits as the office of entertainment industry development in the Department of Economic Development.

Proposed law allows credits to be taken against income tax for the tax year in which the credit is earned or for the tax year in which initial certification authorizes the credit to be taken.

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

(Amends R.S. 47:6007(B)(7) and (C)(2) and (4); adds R.S. 47:6007(B)(15) and (C)(1)(c)(iii))

Summary of Amendments Adopted by Senate

Senate Floor Amendments to engrossed bill.

1. Authorizes an approved investor an additional five percent of the total base investment in lieu of the additional five percent credit for payroll, if:
 - a. The aggregate total base investment in the state in a fiscal year, beginning on or after July 2, 2011, is at least \$50 million, and
 - b. The total base investment on each production is at least 50% of total production expenditures, in state and out of state, on each production.

2. Restricts the proposed tax credit to the portion of the base investment which are production expenditures of employees who are Louisiana residents.
3. Defines "approved investor" and "film production servicing and support facilities in Louisiana".