

SENATE SUMMARY OF HOUSE AMENDMENTS

SB 123 By Senator Martiny**KEYWORD AND SUMMARY AS RETURNED TO THE SENATE**

TAX/TAXATION: Changes the Digital Interactive Media Producer Tax Credit to a refundable tax credit and provides other modifications to the program. (gov sig)

SUMMARY OF HOUSE AMENDMENTS TO THE SENATE BILL

1. Changes the restriction on projects receiving a digital interactive media tax credit or tax rebate from receiving other tax incentives from a prohibition on receiving any other state tax incentive to a prohibition on receiving any other incentive administered by the Dept. of Economic Development.
2. Enacts R.S. 47:6038 and R.S. 51:2306, providing that the Dept. of Economic Development secretary shall report to the Joint Legislative Committee on the Budget information concerning the granting and denial of certain tax credits and rebates ("tax incentives") administered by the department. Each January 30th, the secretary shall transmit to the members of the committee a list of the recipients of each tax incentive, as well as a list of applicants denied tax incentives, over the most recently concluded calendar year. The report shall contain the name and primary place of business of each applicant.

DIGEST OF THE SENATE BILL AS RETURNED TO THE SENATE

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 APA.

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 repeals present law but adds a restriction prohibiting a project which receives a digital interactive media producer tax credit or tax rebate from receiving any other incentive administered by the Dept. of Economic Development.

Proposed law adds that the secretary of the Department of Economic Development shall report to the Joint Legislative Committee on the Budget information concerning the granting and denial of certain tax credits and rebates ("tax incentives") administered by the department. On January 30th of each year, the secretary shall transmit to the members of the committee a list of the recipients of each tax incentive, as well as a list of applicants denied tax incentives, over the most recently concluded calendar year. The report shall contain the name and primary place of business of each applicant.

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) through (J); adds R.S. 47:6038 and R.S. 51:2306; repeals R.S. 47:6022(K))

Jerry G. Jones
Senate Counsel