

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

New law retains prior law for credits earned for expenditures made on or before Dec. 31, 2011. New 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.

New law changes prior 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.

New 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.

Prior law authorized 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.

New 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.

Prior law required administrative rules promulgated by the Dept. of Economic Development ("DED") to be approved by the House Committee on Ways and Means and the Senate Committee on Revenue and Fiscal Affairs before taking effect.

New law retains prior law and requires that oversight by those committees be conducted in accordance with the APA.

New 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.

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

New law retains prior 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.

Prior law restricted a project which earns a tax credit authorized under prior law from eligibility for tax credits or rebates provided under the La. Quality Jobs Program Act.

New law repeals prior 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 DED.

New law requires the secretary of the DED 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 July 11, 2011.

(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))