2015 Regular Session

HOUSE BILL NO. 276

BY REPRESENTATIVE HARRIS

TAX CREDITS: Limits the amount of motion picture investor tax credit applications certified by the office each year

AN ACT
To enact R.S. 47:6007(C)(1)(e), relative to income tax credits; to provide with respect to the
motion picture investor tax credit; to provide for an annual program cap for the
motion picture investor tax credit; to provide for certain limitations; to provide for
an effective date; and to provide for related matters.
Be it enacted by the Legislature of Louisiana:
Section 1. R.S. 47:6007(C)(1)(e) is hereby enacted to read as follows:
§6007. Motion picture investor tax credit
* * *
C. Investor tax credit; specific productions and projects.
(1)
* * *
(e) Beginning January 1, 2015, the aggregate amount of tax credits that may
be certified by the office pursuant to the provisions of this Section shall not exceed
two hundred million dollars per calendar year. All applications receiving final
certification on the same business day shall be treated as receiving final certification
at the same time and if the aggregate amount of applications on a single business day
exceed the total allotment of tax credits for that year, all tax credits received on that
day shall be approved on a pro rata basis. Any taxpayer who received a pro rata

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CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

1	reduction to a tax credit shall be given first priority for receiving the balance of his
2	tax credit from the tax credit allotment for the subsequent year. Any application
3	receiving final certification by the office after the total tax credit allotment for that
4	year is exhausted shall be treated as having received final certification on the first
5	day of the subsequent year. Any claim or request to utilize credits under this Section
6	shall be filed electronically.
7	* * *
8	Section 2. This Act shall become effective on July 1, 2015; if vetoed by the governor
9	and subsequently approved by the legislature, this Act shall become effective on July 1,
10	2015, or on the day following such approval by the legislature, whichever is later.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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Abstract: Caps the annual amount of tax credits the office and the secretary may certify each calendar year at \$200 million beginning in 2015.

<u>Present law</u> provides for an income tax credit for La. taxpayers for investment in statecertified productions earned at the time expenditures are made by a motion picture production company in a state-certified production. The amount of the credit shall be equal to 30% of the base investment made by the investor if the total base investment is more than \$300,000. Additionally provides for a credit equal to 5% of base investment expended on payroll for La. residents employed in connection with a state-certified production. However, this credit does not apply to the payroll of any one person that exceeds \$1 million.

<u>Proposed law</u> retains <u>present law</u> but limits, beginning Jan. 1, 2015, the aggregate amount of tax credits that may be certified by the office to \$200 million per calendar year. All applications receiving final certification on the same business day shall be treated as receiving final certification at the same time and if the aggregate amount of applications on a single business day exceed the total allotment of tax credits for that year, all tax credits received on that day shall be approved on a pro rata basis. Any taxpayer who received a pro rata reduction to a tax credit shall be given first priority for receiving the balance of his tax credit from the tax credit allotment for the subsequent year.

<u>Proposed law</u> requires applications receiving final certification after the total tax credit allotment for that year is exhausted to be treated as having received final certification on the first day of the subsequent year. Any claim or request for tax credits shall be filed electronically.

Effective July 1, 2015.

(Adds R.S. 47:6007(C)(1)(e))

Summary of Amendments Adopted by House

- The Committee Amendments Proposed by <u>House Committee on Ways and Means</u> to the <u>original</u> bill:
- 1. Change the annual limitation on the amount of tax credits certified each calendar year by the office and the secretary to an annual cap of \$200 million per calendar year.
- 2. Add provisions regarding the administration of paying tax credits when the annual tax credit allotment is exhausted giving preference to taxpayers who received a pro rata reduction in the amount of their tax credit.
- 3. Require claims or requests for tax credits to be filed electronically.
- 4. Delete the annual cap in <u>proposed law</u> of tax credits the state will pay to all investors per calendar year.