

2015 Regular Session

SENATE BILL NO. 106

BY SENATOR MORRELL AND REPRESENTATIVE TALBOT

TAX/TAXATION. Requires recovery of motion picture investor tax credits issued in violation of the tax credit law or its administrative interpretation and those issued to an investor convicted of a criminal violation related to such tax credits. (gov sig)

1 AN ACT

2 To amend and reenact R.S. 47:6007(B)(6) and to enact R.S. 47:6007(G), relative to motion
3 picture investor tax credits; to provide for eligibility for the credits; to provide for the
4 invalidity of credits and their recovery under certain circumstances; to provide for
5 retroactivity and severability; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:6007(B)(6) is hereby amended and R.S. 47:6007(G) is hereby
8 enacted to read as follows:

9 §6007. Motion picture investor tax credit

10 * * *

11 * * *

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

13 * * *

14 (6) "Motion picture production company" means a company engaged in the
15 business of producing nationally or internationally distributed motion pictures as
16 defined in this Section. Motion picture production company shall not mean or
17 include any company owned, affiliated, or controlled, in whole or in part, by any of

1 the following companies or persons:

2 (a) ~~any~~ Any company or person which is in default on a loan made by the
3 state or a loan guaranteed by the state;

4 (b) ~~nor with any~~ Any company or person who has ever declared bankruptcy
5 under which an obligation of the company or person to pay or repay public funds or
6 monies was discharged as a part of such bankruptcy.

7 (c) Any company or person who has been charged with or convicted of
8 a criminal violation related to the tax credits provided for in this Section.

9 (d) Any company or person who was granted, or was required to be
10 granted, tax credits in violation of the provisions of this Section or this Section's
11 administrative interpretation by the office or the office's predecessors.

12 * * *

13 G. Notwithstanding the provisions of Subsections E and F of this Section
14 or any other law to the contrary:

15 (1) If the office determines that an investor was granted, or was required
16 to be granted, tax credits in violation of the provisions of this Section or this
17 Section's administrative interpretation of the office or the office's predecessors,
18 such tax credits granted shall be invalidated and the amount shall be recovered
19 by the secretary of the Department of Revenue.

20 (2) If the office determines that any investor who was granted a tax
21 credit pursuant to this Section has been convicted of a criminal violation related
22 to the tax credits provided for in this Section, then all tax credits issued to such
23 investor shall be invalidated and shall be recovered by the secretary of the
24 Department of Revenue by an action for recovery initiated at any time, and the
25 running of any prescription against such claim shall be interrupted until the
26 action for recovery is filed by the secretary.

27 (3) Such investor shall be assessed for the tax period in which the tax
28 credits are invalidated by the amount necessary for the recapture of tax credits
29 provided for in this Subsection and the secretary of the Department of Revenue

1 shall recover such tax credits through any collection remedy authorized by R.S.
 2 47:1561, plus interest and penalties provided for the delinquent payment of
 3 taxes.
 4 Section 2. The provisions of this Act shall be retroactive.
 5 Section 3. The provisions of this Act shall be severable.
 6 Section 4. This Act shall become effective upon signature by the governor or, if not
 7 signed by the governor, upon expiration of the time for bills to become law without signature
 8 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 9 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 10 effective on the day following such approval.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Riley Boudreaux.

DIGEST

SB 106 Engrossed

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Morrell

Present law defines a "motion picture production company" eligible for motion picture investor tax credits.

Proposed law adds to that definition that such a "motion picture production company" shall not include any company owned, affiliated, or controlled, in whole or in part, by:

- (1) Any company or person who has been charged with or convicted of a criminal violation related to the tax motion picture investor tax credits.
- (2) Any company or person who was granted, or was required to be granted, tax credits in violation of the provisions of the motion picture investor tax credit law or the law's administrative interpretation by the office of entertainment industry development in the Department of Economic Development, or that office's predecessors.

Proposed law requires motion picture investor tax credits to be invalidated and the amount recovered by the secretary of the Department of Revenue if the office of entertainment industry development determines that an investor was granted, or was required to be granted, such credits in violation of the provisions of the motion picture investor tax credit law or the law's administrative interpretation by the office, or that office's predecessors.

Proposed law provides that, if the office determines that any investor who was granted motion picture investor tax credits has been convicted of a criminal violation related to the tax credits, then all tax credits issued to such investor must be invalidated and must be recovered by the secretary of LDR by an action for recovery initiated at any time, and the running of any prescription against such claim is interrupted until the action for recovery is filed by the secretary.

Proposed law requires such investor's state income tax to be increased by the amount necessary for the recapture of tax credits above and the secretary of LDR must recover such tax credits through any collection remedy authorized by R.S. 47:1561, plus interest and penalties provided for the delinquent payment of taxes.

Provides that the provisions of the proposed law are retroactive and specifies that its provisions are severable.

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

(Amends R.S. 47:6007(B)(6); adds R.S. 47:6007(G))