

2015 Regular Session

HOUSE BILL NO. 798

BY REPRESENTATIVE PONTI

TAX CREDITS: Relative to the motion picture investor tax credit

1 AN ACT

2 To amend and reenact R.S. 47:6007(C)(1)(c)(introductory paragraph) and (d) and to enact  
3 R.S. 47:6007(C)(1)(e), relative to tax credits; to provide for the motion picture  
4 investor tax credit; to provide for eligibility; to provide for an effective date; and to  
5 provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:6007(C)(1)(c)(introductory paragraph) and (d) are hereby  
8 amended and reenacted and R.S. 47:6007(C)(1)(e) is hereby enacted to read as follows:

9 §6007. Motion picture investor tax credit

10 \* \* \*

11 C. Investor tax credit; specific productions and projects.

12 (1)

13 \* \* \*

14 (c) For state-certified productions approved by the office and the secretary  
15 on or after July 1, 2009, and prior to July 1, 2015:

16 \* \* \*

17 (d) For state-certified productions approved by the office and the secretary  
18 on or after July 1, 2015:

19 (i) If the total base investment is greater than three hundred thousand dollars,  
20 each investor shall be allowed a tax credit of thirty percent of the base investment  
21 made by that investor.

1           (ii) To the extent that base investment is expended on payroll for Louisiana  
 2           residents employed in connection with a state-certified production, each investor  
 3           shall be allowed an additional tax credit of five percent of the payroll. However, if  
 4           the payroll to any one person exceeds one million dollars, this additional credit shall  
 5           exclude any salary for that person that exceeds one million dollars.

6           (iii) For a state-certified production that bases its main production office  
 7           beyond a thirty mile radius of the New Orleans City Hall and films more than fifty  
 8           percent of its production days in Louisiana beyond a thirty mile radius of the New  
 9           Orleans City Hall, each investor shall be allowed an additional tax credit of five  
 10          percent of the base investment expended on qualified production expenditures,  
 11          excluding non-resident payroll, to cover the additional costs associated with housing,  
 12          per diems, and living allowances for Louisiana residents. However, the additional  
 13          five percent tax credit allowed pursuant to this Subparagraph shall not exceed the  
 14          total amount of the qualified expenditures of the state-certified production expended  
 15          on housing, per diem, and living allowances for Louisiana residents.

16          ~~(d)~~ (e) Motion picture investor tax credits associated with a state-certified  
 17          production shall never exceed the total base investment in that production.

18   \*       \*       \*

19          Section 2. This Act shall become effective on July 1, 2015; if vetoed by the governor  
 20          and subsequently approved by the legislature, this Act shall become effective on July 1,  
 21          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)]

HB 798 Reengrossed                                 2015 Regular Session                                 Ponti

**Abstract:** Beginning July 1, 2015, authorizes an additional 5% credit for all qualified expenditures, excluding non-resident payroll, when the production is based and 50% of film production days occur beyond a 30-mile radius of New Orleans City Hall. Further caps this additional credit to the amount of certain expenditures relative to La. residents employed by the state-certified production.

Present law provides for an income tax credit for La. taxpayers for investment in state-certified 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.

Proposed law retains present law and authorizes an additional credit equal to 5% of base investment expended on all qualified production expenditures, excluding non-resident payroll, for state-certified productions that base its main production office beyond a 30-mile radius of New Orleans City Hall and films more than 50% of its production days beyond a 30-mile radius of New Orleans City Hall. Proposed law limits the amount of this additional credit to an amount not to exceed the total amount of qualified expenditures of the state-certified production expended on housing, per diem, and living allowances for La. residents.

Effective July 1, 2015.

(Amends 47:6007(C)(1)(c)(intro. para.) and (d); Adds R.S. 47:6007(C)(1)(e))

#### Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Delete the provisions of proposed law prohibiting the additional 5% credit of the base investment expended on payroll for La. residents employed in connection with a state-certified production if the production bases its office within 40 miles of New Orleans City Hall.
2. Add provisions that authorize, beginning July 1, 2015, an additional credit equal to 5% of base investment expended on all qualified production expenditures, excluding non-resident payroll, for state-certified productions that base its main production office beyond a 40-mile radius of New Orleans City Hall and films more than 50% of its production days beyond a 40-mile radius of New Orleans City Hall.
3. Eliminate, beginning July 1, 2015, the additional 5% credit of the base investment expended on payroll for La. residents employed in connection with a state-certified production.

The House Floor Amendments to the engrossed bill:

1. Add provision to proposed law that exists in present law, which authorizes an additional 5% tax credit of an investor's base investment for La. payroll, but prohibits the additional tax credit on payroll of any single La. resident that exceeds \$1 million.
2. Specify that the additional 5% tax credit for state-certified productions that base its production offices outside of a 40-mile radius of New Orleans City Hall and film a majority of its production days outside of a 40-mile radius of New Orleans City Hall cannot exceed the total amount expended on housing, per diem, and living allowances for La. residents.
3. Change the radius in proposed law from 40 miles to 30 miles.