
HOUSE COMMITTEE AMENDMENTS

2025 Regular Session

Amendments proposed by House Committee on Ways and Means to Original House Bill No. 653 by Representative Davis

1 AMENDMENT NO. 1

2 On page 1, line 2, after "reenact" and before "relative to" delete "R.S. 47:6023(I)," and insert
3 the following:

4 "R.S. 47:6023(B)(1), (3), (5), and (9), (C)(1)(introductory paragraph), (c), and (d),
5 (3)(a), and (4)(a)(iii), (D)(1)(introductory paragraph), (2)(a)(introductory paragraph)
6 and (b) through (e), (3), and (4), (E)(1), (F), and (I),"

7 AMENDMENT NO. 2

8 On page 1, line 3, after "tax credit" and before "to extend" insert the following:

9 "to provide for definitions; to provide for administration of the tax credit program
10 by the office of cultural development; to provide for credit amounts; to provide for
11 requirements and limitations"

12 AMENDMENT NO. 3

13 On page 1, line 4, after "credit;" and before "to provide for applicability" insert "to authorize
14 promulgation of emergency rules;"

15 AMENDMENT NO. 4

16 On page 1, delete line 7 in its entirety and insert the following:

17 "Section 1. R.S. 47:6023(B)(1), (3), (5), and (9), (C)(1)(introductory paragraph), (c),
18 and (d), (3)(a), and (4)(a)(iii), (D)(1)(introductory paragraph), (2)(a)(introductory paragraph)
19 and (b) through (e), (3), and (4), (E)(1), (F), and (I) are hereby amended and reenacted to
20 read as follows:"

21 AMENDMENT NO. 5

22 On page 1, between lines 9 and 10, insert the following:

23 "B. Definitions. For the purposes of this Section:

24 (1) "Base investment" shall mean the actual investment made and expended
25 in the state by a state-certified production as production-related costs and QMC
26 payroll expenditures for Qualified Music Companies approved by the office of
27 cultural development, ~~and the secretary on or after July 1, 2017. Expenditures~~
28 ~~comprising the base investment shall not include the expenditure verification report~~
29 ~~fee paid by the sound recording production company for purposes of verification of~~
30 ~~the company's cost report for production expenditures.~~

31

* * *

32 (3) "New jobs" means full-time employment in Louisiana of an average of
33 thirty hours or more per week, filled by Louisiana residents at the project site
34 designated in the contract, who were not previously on the QMC's payroll in
35 Louisiana, nor previously on the payroll of such QMC's parent entity, subsidiary, or
36 affiliate in Louisiana, or previously on the payroll of any business whose physical

1 location and employees are substantially the same as those of the QMC in Louisiana;
2 as approved by the secretary.

3 * * *

4 (5) "QMC payroll" means wages reported in box 1 on a W-2 form and
5 compensation reported on a 1099-MISC or 1099-NEC form.

6 * * *

7 (9) "State-certified production" means a sound recording production, or a
8 series of productions, including but not limited to master and demonstration
9 recordings, occurring over the course of a twelve-month period, and base investment
10 related to such production or productions that are approved by ~~Louisiana Economic~~
11 ~~Development~~ the office of cultural development within one hundred eighty days of
12 ~~the receipt by Louisiana Economic Development~~ the office of a complete application
13 for initial certification of a production. If the production is not approved within one
14 hundred eighty days, ~~Louisiana Economic Development~~ shall the office of cultural
15 development may provide a written report to the Senate Committee on Revenue and
16 Fiscal Affairs and the House Committee on Ways and Means which states the reason
17 that the production has not been approved.

18 C. Investor tax credit; state-certified productions.

19 (1) There is hereby authorized a credit against the state income tax for
20 investments made in state-certified productions. The tax credit shall be earned by
21 investors at the time that expenditures are certified by ~~Louisiana Economic~~
22 ~~Development~~ the office of cultural development according to the total base
23 investment certified for the sound recording production company per calendar year;
24 however, no credit shall be allowed under pursuant to this Section for any
25 expenditures for which a credit was granted under pursuant to R.S. 47:6007, 6022,
26 or 6034.

27 * * *

28 (c) Project-based production credit. For applications for state-certified
29 productions received on or after July 1, ~~2017~~ 2025, each investor shall be allowed
30 a tax credit of ~~eighteen~~ twenty-five percent of the base investment made by that
31 investor in excess of ~~twenty-five~~ ten thousand dollars. However, if the investor who
32 is applying for the tax credit is a Louisiana resident and the sound recording project
33 is a resident copyright as defined in Subsection B of this Section, the ~~eighteen~~
34 twenty-five percent tax credit shall be allowed on base investments which exceed ~~ten~~
35 five thousand dollars.

36 (d) Company-based QMC payroll credit. For applications for Qualified
37 Music Companies received on or after July 1, ~~2017~~, or for applications for Qualified
38 ~~Music Companies that have been submitted but that have not received final~~
39 ~~certification by July 1, 2019~~ 2025, to the extent that base investment is expended on
40 payroll for Louisiana residents in connection with a QMC, tax credits shall be earned
41 at the following rates:

42 (i) Tier 1. A payroll credit of ~~ten~~ fifteen percent shall be earned for each new
43 job whose QMC payroll is equal to or greater than thirty-five thousand dollars per
44 year, up to sixty-six thousand dollars per year.

45 (ii) Tier 2. A payroll credit of ~~fifteen~~ twenty percent shall be earned for each
46 new job whose QMC payroll is equal to or greater than sixty-six thousand dollars per
47 year, but no greater than two hundred thousand dollars per year.

48 * * *

49 (3) Except as otherwise provided in this Paragraph, the aggregate amount of
50 credits certified for all investors pursuant to this Section during any calendar year
51 shall not exceed two million one hundred sixty thousand dollars. However, fifty
52 percent of the aggregate amount of credits certified each year shall be reserved for

1 QMCs. No more than one hundred thousand dollars in tax credits may be granted per
2 project, per calendar year.

3 (a) An application for initial certification of a project shall be submitted to
4 the ~~Louisiana Department of Economic Development~~ office of cultural development
5 prior to the granting of the credit, and the granting of credits ~~under in accordance~~
6 with this Section shall be on a first-come, first-served basis. The secretary of the
7 ~~Louisiana Department of Economic Development~~ Department of Culture, Recreation
8 and Tourism shall determine through the promulgation of rules the administration
9 of the annual aggregate maximum. ~~In addition, these rules shall be approved~~ These
10 rules shall be subject to oversight by the House Committee on Ways and Means and
11 the Senate Committee on Revenue and Fiscal Affairs in accordance with the
12 provisions of the Administrative Procedure Act.

13 * * *

14 (4)(a) Company-based QMC payroll credit. A business shall be eligible for
15 participation in the program if the business meets all of the following criteria:

16 * * *

17 (iii) The business is approved by the ~~secretary of Louisiana Economic~~
18 Development office of cultural development.

19 * * *

20 D. Certification and administration.

21 (1) The secretary of ~~Louisiana Economic Development~~ the Department of
22 Culture, Recreation and Tourism shall determine through the adoption and
23 promulgation of rules which expenditures qualify according to this Section. ~~In~~
24 addition, these rules shall be approved These rules shall be subject to oversight by
25 the House Committee on Ways and Means and the Senate Committee on Revenue
26 and Fiscal Affairs in accordance with the provisions of the Administrative Procedure
27 Act. When determining which expenditures qualify, ~~Louisiana Economic~~
28 Development the secretary shall ~~take~~ consider the following factors ~~into~~
29 consideration:

30 * * *

31 (2)(a) An applicant for the sound recording investor tax credit shall submit
32 an application for initial certification to ~~Louisiana Economic Development~~ the office
33 of cultural development that includes the following information:

34 * * *

35 (b) If the application is incomplete, additional information may be requested
36 prior to further action by ~~Louisiana Economic Development~~ the office of cultural
37 development.

38 (c)(i) ~~Louisiana Economic Development shall~~ The office of cultural
39 development may directly engage and assign a certified public accountant to prepare
40 an expenditure verification report on a sound recording production company's cost
41 report of production expenditures. The applicant ~~shall~~ may be responsible for
42 payment of the expenditure verification report fee ~~in accordance with R.S. 36:104.1,~~
43 and shall make all records related to the tax credit application available to the
44 ~~department and the accountant~~ office of cultural development.

45 (ii) The applicant ~~will~~ may be assessed the ~~department's~~ actual cost for the
46 expenditure verification report fee. ~~The maximum fee shall be as follows:~~

47 (aa) ~~One thousand five hundred dollars for verification of a cost report~~
48 ~~reflecting expenditures of at least ten thousand dollars but less than twenty-five~~
49 ~~thousand dollars.~~

1 ~~(bb) Three thousand dollars for verification of a cost report reflecting~~
 2 ~~expenditures of at least twenty-five thousand dollars but less than fifty thousand~~
 3 ~~dollars.~~

4 ~~(cc) Five thousand dollars for verification of a cost report reflecting~~
 5 ~~expenditures of at least fifty thousand dollars, but less than one hundred thousand~~
 6 ~~dollars.~~

7 ~~(dd) Seven thousand five hundred dollars for verification of a cost report~~
 8 ~~reflecting expenditures of more than one hundred thousand dollars.~~

9 ~~(iii) At the time of application, the applicant may be required to submit a~~
 10 ~~deposit in an amount up to fifty percent of the expenditure verification report fee~~
 11 ~~required pursuant to the provisions of Item (ii) of this Subparagraph.~~

12 ~~(d) Louisiana Economic Development~~ The office of cultural development
 13 shall submit its initial certification of a project as a state-certified production to
 14 investors and to the secretary of the Department of Revenue. The initial certification
 15 shall include a unique identifying number for each state-certified production.

16 (e) Qualified Music Companies may submit one request for final certification
 17 of tax credits per calendar year and state-certified productions may request final
 18 certification of credits upon project completion by submitting to the ~~department~~
 19 office of cultural development a cost report of production expenditures to be
 20 formatted in accordance with instructions of the ~~department office~~. The applicant
 21 shall make all records related to the cost report available for inspection by the office
 22 ~~department and the accountant selected by the department to prepare the expenditure~~
 23 ~~verification report. After review and investigation of the cost report, the accountant~~
 24 ~~shall submit to the department an expenditure verification report.~~ Sound recording
 25 investor tax credits shall be certified only upon the receipt and approval by the
 26 ~~department office~~ of an expenditure verification report ~~submitted by a certified~~
 27 public accountant in accordance with this Subparagraph. The ~~department office~~ shall
 28 review the expenditure verification report, and for those expenditures found to be
 29 qualified ~~the department~~ shall issue a tax credit certification letter to the investors
 30 indicating the amount of tax credits certified for the state-certified production.

31 (3) The secretary of ~~Louisiana Economic Development~~ the Department of
 32 Culture, Recreation and Tourism, in consultation with the Department of Revenue
 33 and the Louisiana Music Commission, shall adopt and promulgate ~~such all~~ rules and
 34 regulations ~~as are~~ necessary to carry out the intent and purposes of this Section ~~in~~
 35 ~~accordance with the general guidelines provided herein.~~

36 (4) With input from the Legislative Fiscal Office, ~~Louisiana Economic~~
 37 ~~Development~~ the secretary of the Department of Culture, Recreation and Tourism
 38 shall prepare a written report to be submitted to the House Committee on Ways and
 39 Means and the Senate Committee on Revenue and Fiscal Affairs no less than sixty
 40 days prior to the start of the 2027 Regular Session of the Legislature ~~in 2007~~, and
 41 every second year thereafter. The report shall include the overall impact of the tax
 42 credits, the amount of the tax credits issued, the number of new jobs created, the
 43 amount of Louisiana payroll created, the economic impact of the tax credits and
 44 sound recording industry, and any other factors that describe the impact of the
 45 program.

46 E. Tax credit certification letter for Qualified Music Company credit and
 47 project-based production tax credit. (1) After certification, ~~Louisiana Economic~~
 48 ~~Development~~ the office of cultural development shall submit the tax credit
 49 certification letter to the Department of Revenue on behalf of the QMC or the
 50 investor who earned the sound recording tax credits. The Department of Revenue
 51 may require the QMC or the investor to submit additional information as may be

1 necessary to administer the provisions of this Section. Upon receipt of the tax credit
2 certification letter and any necessary additional information, the secretary of the
3 Department of Revenue shall make payment to the QMC or the investor in the
4 amount to which he is entitled from the current collections of the taxes collected
5 pursuant to Chapter 1 of Subtitle II of this Title, as amended.

6 * * *

7 F. Recapture of credits. If ~~Louisiana Economic Development~~ the office of
8 cultural development finds that funds for which an investor received credits
9 according pursuant to this Section are not invested in and expended with respect to
10 a state-certified production within twenty-four months of the date that ~~such~~ those
11 credits are earned, then the investor's state income tax for such taxable period shall
12 be increased by ~~such~~ the amount necessary for the recapture of credit provided by
13 this Section.

14 * * *"

15 AMENDMENT NO. 6

16 On page 1, between lines 11 and 12, insert the following:

17 "Section 2. Notwithstanding any provision of law to the contrary, the secretary of
18 the Department of Culture, Recreation and Tourism may promulgate rules for the initial
19 implementation of the provisions of this Act through the emergency rulemaking procedure
20 provided for in R.S. 49:962."

21 AMENDMENT NO. 7

22 On page 1, at the beginning of line 12, delete "Section 2." and insert "Section 3."

23 AMENDMENT NO. 8

24 On page 1, at the beginning of line 14, delete "Section 3." and insert "Section 4."