



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 232** SLS 25RS 234
 Bill Text Version: **ENROLLED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 30, 2025	12:09 PM	Author: BASS
Dept./Agy.: Louisiana Economic Development		Analyst: Noah O'Dell
Subject: Motion Picture Production Income Tax Credit		

TAX/TAXATION EN SEE FISC NOTE GF RV See Note Page 1 of 1
 Provides relative to the motion picture production tax credit. (7/1/25)

Current law authorizes the Office of Entertainment Industry Development to issue Motion Picture Production income tax credits, limited to 40% of the qualifying expenditures per project. Effective July 1, 2025, current law limits total annual credit issuance to \$125M. Current law limits amounts and rates awarded to certain project-based productions and company-based Quality Entertainment Companies (QEC).

Proposed law authorizes the Office of Economic Development (not created in law) in Louisiana Economic Development (LED) to issue income tax credits under the existing program for approved state-certified productions or QECs for applications received after July 1, 2025 in accordance with rules promulgated by LED, that will apparently determine and apply discretionary factors when considering which applications will be approved and the amount of credits awarded to each applicant within the stated caps. Proposed law retains the annual \$125M aggregate cap on credits issued and references a project cap of 40%, presumably of the qualifying expenditures, though the base of the cap is not specified in the bill.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW					
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure. LED will be able to award credits in a different manner than current law, but the aggregate amount of credits awarded each fiscal year will continue to be subject to the \$125M cap. The bill appears to give the department more discretion in the determination of which applicants will be awarded credits and the amount of each award by allowing LED to determine such factors through emergency rule promulgation. The bill specifies that prior to the new rules taking effect, they shall be approved by the House Committee on Ways and Means and the Senate Committee on Revenue and Fiscal Affairs.

Act 11 of the 3rd ES of 2024 lowered the issuance cap on Motion Picture Production income tax credits from \$150M to \$125M beginning in FY26. LFO assumes for the purposes of this fiscal note the existing limit on credits issued will be achieved under current law and continue to be achieved under the bill, resulting in no impact on general fund revenue. To the extent the bill allows LED to issue more or less credits than would otherwise be issued under current law, this would result in an indeterminable decrease or increase in general fund revenue.

LED reports the following data on credits issued each fiscal year:

- FY24 - \$143M
- FY23 - \$78.7M
- FY22 - \$134M
- FY21 - \$131M
- FY20 - \$132M

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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