

2025 Regular Session

HOUSE BILL NO. 653

BY REPRESENTATIVES DAVIS AND MANDIE LANDRY AND SENATORS FOIL,  
HENSGENS, JACKSON-ANDREWS, MCMATH, MYERS, AND STINE

1 AN ACT

2 To amend and reenact R.S. 47:6023(B)(1), (3), (5), and (9), (C)(1)(introductory paragraph),  
3 (c), and (d), (3)(a), and (4)(a)(iii), (D)(1)(introductory paragraph), (2)(a)(introductory  
4 paragraph) and (b) through (e), (3), and (4), (E)(1), (F), and (I), relative to tax  
5 credits; to provide with respect to the sound recording investor tax credit; to provide  
6 for definitions; to provide for administration of the tax credit program by the office  
7 of cultural development; to provide for credit amounts; to provide for requirements  
8 and limitations; to extend the period in which investors may apply for the tax credit;  
9 to authorize promulgation of emergency rules; to provide for applicability; to provide  
10 for an effective date; and to provide for related matters.

11 Be it enacted by the Legislature of Louisiana:

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

16 §6023. Sound recording investor tax credit

17 \* \* \*

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

19 (1) "Base investment" shall mean the actual investment made and expended  
20 in the state by a state-certified production as production-related costs and QMC  
21 payroll expenditures for Qualified Music Companies approved by the office of of

1 cultural development, and the secretary on or after July 1, 2017. Expenditures  
 2 comprising the base investment shall not include the expenditure verification report  
 3 fee paid by the sound recording production company for purposes of verification of  
 4 the company's cost report for production expenditures.

\* \* \*

6 (3) "New jobs" means full-time employment in Louisiana of an average of  
 7 thirty hours or more per week, filled by Louisiana residents at the project site  
 8 designated in the contract, who were not previously on the QMC's payroll in  
 9 Louisiana, nor previously on the payroll of such QMC's parent entity, subsidiary, or  
 10 affiliate in Louisiana, or previously on the payroll of any business whose physical  
 11 location and employees are substantially the same as those of the QMC in Louisiana;  
 12 ~~as approved by the secretary.~~

\* \* \*

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

\* \* \*

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

C. Investor tax credit; state-certified productions.

29 (1) There is hereby authorized a credit against the state income tax for  
 30 investments made in state-certified productions. The tax credit shall be earned by

1 investors at the time that expenditures are certified by ~~Louisiana Economic~~  
 2 ~~Development~~ the office of cultural development according to the total base  
 3 investment certified for the sound recording production company per calendar year;  
 4 however, no credit shall be allowed ~~under~~ pursuant to this Section for any  
 5 expenditures for which a credit was granted ~~under~~ pursuant to R.S. 47:6007, 6022,  
 6 or 6034.

7 \* \* \*

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

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

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

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

28 \* \* \*

29 (3) Except as otherwise provided in this Paragraph, the aggregate amount of  
 30 credits certified for all investors pursuant to this Section during any calendar year

1 shall not exceed two million one hundred sixty thousand dollars. However, fifty  
2 percent of the aggregate amount of credits certified each year shall be reserved for  
3 QMCs. No more than one hundred thousand dollars in tax credits may be granted per  
4 project, per calendar year.

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

15 \* \* \*

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

18 \* \* \*

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

21 \* \* \*

22 D. Certification and administration.

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



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

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

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

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

28          (4) With input from the Legislative Fiscal Office, ~~Louisiana Economic~~  
 29          ~~Development~~ the secretary of the Department of Culture, Recreation and Tourism  
 30          shall prepare a written report to be submitted to the House Committee on Ways and

1 Means and the Senate Committee on Revenue and Fiscal Affairs no less than sixty  
 2 days prior to the start of the 2027 Regular Session of the Legislature ~~in 2007~~, and  
 3 every second year thereafter. The report shall include the overall impact of the tax  
 4 credits, the amount of the tax credits issued, the number of new jobs created, the  
 5 amount of Louisiana payroll created, the economic impact of the tax credits and  
 6 sound recording industry, and any other factors that describe the impact of the  
 7 program.

8 E. Tax credit certification letter for Qualified Music Company credit and  
 9 project-based production tax credit. (1) After certification, ~~Louisiana Economic~~  
 10 ~~Development~~ the office of cultural development shall submit the tax credit  
 11 certification letter to the Department of Revenue on behalf of the QMC or the  
 12 investor who earned the sound recording tax credits. The Department of Revenue  
 13 may require the QMC or the investor to submit additional information as may be  
 14 necessary to administer the provisions of this Section. Upon receipt of the tax credit  
 15 certification letter and any necessary additional information, the secretary of the  
 16 Department of Revenue shall make payment to the QMC or the investor in the  
 17 amount to which he is entitled from the current collections of the taxes collected  
 18 pursuant to Chapter 1 of Subtitle II of this Title, as amended.

19 \* \* \*

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

27 \* \* \*

28 I. Termination. No credits shall be granted pursuant to the provisions of this  
 29 Section for applications received on or after July 1, ~~2025~~ 2030.

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

5           Section 3. The provisions of this Act shall apply to taxable periods beginning on or  
 6 after January 1, 2025.

7           Section 4. This Act shall become effective upon signature by the governor or, if not  
 8 signed by the governor, upon expiration of the time for bills to become law without signature  
 9 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
 10 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
 11 effective on the day following such approval.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_