RÉSUMÉ DIGEST

ACT 44 (SB 232) **2025 Regular Session** **Bass**

Existing law provides a credit for motion picture productions in Louisiana and allows a taxpayer to transfer motion picture production credits back to the La. Dept. of Revenue for a reduced rate.

New law retains existing law.

Prior law defined "office" to mean the office of entertainment industry development in Louisiana Economic Development (LED).

New law repeals prior law and defines the term "office" to mean the office of economic development in LED on or after July 1, 2025.

Prior law defined "Louisiana promotional graphic" to mean a graphical brand or logo for promotion of the state which has been approved by the office and meets certain specific requirements.

New law repeals the specific requirements and instead allows LED to set those requirements by program rule.

Prior law authorized a project-based production tax credit of up to 40% which may include combinations of the following:

(1) A base investment credit of 25% of base investment that is greater than $300,000.

(2) A 5% base investment credit increase if the production office and 60% of principal photography is based and occurring outside of New Orleans.

(3) A 10% credit increase on production expenditures equal or greater than $50,000 but not more than $5M for a screenplay created by a Louisiana resident.

(4) A 15% credit increase on base investment on payroll for Louisiana residents.

(5) A 5% increase on base investment of visual effects expenditures if at least 50% of visual effects budget or a minimum of $1M of visual effects budget is expended on services performed in Louisiana.

New law repeals prior law for applications approved on or after July 1, 2025, and instead authorizes a tax credit of up to 40% credit in accordance with program rules and the annual cap provisions of existing law.

Prior law authorized a payroll credit of either:

(1) 15% for each new job whose Qualified Entertainment Compares (QEC) payroll is equal to or greater than $45,000 but no more than $66,000 per year.

(2) 20% for each new job whose QEC payroll is equal to or greater than $66,000 but no greater than $200,000 per year.

New law repeals prior law for applications of state-certified productions after July 1, 2025.

New law authorizes LED to consider discretionary factors in approving applications, including but not limited to estimated economic impact, disbursement of funding statewide, availability of funding and the best interest of the state.

New law authorizes LED to promulgate rules for the administration of the program in accordance with the APA; however, the rules must be approved by the House Committee on Ways and Means and the Senate Committee on Revenue and Fiscal Affairs before they can take effect. Further authorizes LED to utilize emergency rulemaking for the promulgation of the initial administrative rules.

Prior law authorized the following project issuance tax credits caps:

(1) $20M credit cap on a single state-certified production, except that state-certified productions for scripted episodic content that may be granted up to $25M tax credit per season.

(2) $1M per year cap on the amount of company-based QEC payroll tax credit for a single company.

New law repeals prior law for applications of state-certified productions after July 1, 2025.

Prior law authorized the following individual payroll caps:

(1) $3M cap on qualifying payroll for the services rendered by an individual, and no tax credits shall be earned for payroll expenditures in excess of $3M per person.

(2) $200,000 cap on qualifying QEC payroll expenditures for each employee as reported on a Form W-2, and no tax credits shall be earned for payroll expenditures in excess of $200,000 per person.

New law repeals prior law for applications of state-certified productions after July 1, 2025.

Effective July 1, 2025.

(Amends R.S. 47:6007(B)(11) and (18),(C)(1)(a)(intro para),(C)(1)(b)(intro para), and (J)(3) and (4); adds R.S. 47:6007(C)(1)(d))