

## HOUSE SUMMARY OF SENATE AMENDMENTS

HB 737

2016 Regular Session

Abramson

REVENUE DEPARTMENT: Changes the deadline for the submission of annual reports to the Department of Revenue regarding deductions and withholdings of employee wages

### Synopsis of Senate Amendments

1. Specifies that when an individual receives any payment classified as a production expenditure in a state-certified production in La., that payment shall be classified as La. taxable income and is subject to the withholding requirements of state and federal law.
2. Provides for quarterly payments of payroll withholdings from compensation taxable by La. to the Department of Revenue.
3. Provides for reporting requirements for motion picture production companies, motion picture payroll services companies, or other similar entities required to make certain payroll withholdings from compensation taxable by La.
4. Provides for applicability provisions of Act No. 425 of the 2015 Regular Session of the Legislature which required certain withholding of payroll taxes by motion picture production companies, motion picture payroll services companies, or other similar entities.

### Digest of Bill as Finally Passed by Senate

Present law requires every employer who is required to deduct and withhold any tax under present law and every person who deducts and withholds any amount from any wage payments under the authority of present law to make a calendar quarterly return to the secretary. Further provides for the deadline for the filing of quarterly returns as well as the amount of the tax paid to the department by employers.

Present law additionally requires every employer to file an annual return with the secretary that reconciles all previously filed quarterly returns for the calendar year together with copies of the receipts required to be furnished under present law for that same period. The secretary is authorized to grant a reasonable extension of time, not in excess of 30 days, for filing of the annual return and to waive the filing requirement for an employer if the employer requests a waiver due to hardship.

Proposed law retains present law.

Present law requires employers to file the annual return with the secretary on or before the 1st business day following February 27th of each year for the preceding calendar year.

Proposed law changes the date for the filing of the annual return from on or before the 1st business day following February 27th of each year to on or before Jan. 31st of each year.

Present law provides that the motion picture investor tax credit pursuant to R.S. 47:6007 awards a tax credit for investments made and used for production expenditures in this state for state-certified productions. Therefore, any individual receiving any payments for the performance of services used directly in a production activity, which payments shall be claimed as a production expenditure for purposes of certification of tax credits, is deemed to be receiving La. taxable income whether directly or indirectly through an agent or agency, loan-out company, a personal service company, an employee leasing company, or other entity.

Proposed law retains present law and provides that these payments are subject to the withholding requirements of state and federal law and regulations.

Present law provides that any motion picture production company, motion picture payroll services company, or other entity making or causing to be made payments to an individual, or to an agent or agency, loan-out company, personal service company, employee leasing company, or other entity is considered to be paying compensation taxable by this state. Further requires the company or other entity to withhold taxes from those payments at the highest individual rate of 6%, or the highest individual rate in effect at the time.

Proposed law retains present law and provides that these payments shall be remitted to the department on a quarterly basis, excluding any amount that would otherwise not be subject to the withholding requirements imposed pursuant to state and federal law and regulations.

Present law requires the company or other entity required to withhold income taxes to electronically report and remit the withholdings to the Dept. of Revenue quarterly. The information required to be reported in present law may be provided to the Dept. of Economic Development and if provided, shall be subject to the confidentiality provisions of present law.

Applicable to expenditures occurring after Jan. 1, 2016 for productions which receive initial certification on or after Jan. 1, 2016.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 47:114(E) and 164(D) and §2 of Act No. 425 of the 2015 R.S.)