

2017 Regular Session

HOUSE BILL NO. 671

BY REPRESENTATIVE GLOVER

TAX CREDITS: Provides an additional tax credit for expenditures at a state-certified motion picture infrastructure project

1 AN ACT

2 To amend and reenact R.S. 47:6007(C)(1)(c)(vi) and to enact R.S. 47:6007(C)(1)(c)(vii),  
3 relative to the motion picture production tax credit; to provide for an additional credit  
4 for certain state-certified film production expenditures; and to provide for related  
5 matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:6007(C)(1)(c)(vi) is hereby amended and reenacted and R.S.  
8 47:6007(C)(1)(c)(vii) is hereby enacted to read as follows:

9 §6007. Motion picture production tax credit

10 \* \* \*

11 C. Production tax credit; specific productions and projects.

12 (1) There is hereby authorized a tax credit against state income tax for  
13 Louisiana taxpayers for expenditures related to state-certified productions. The tax  
14 credit shall be earned by a motion picture production company at the time  
15 expenditures are certified by the office and the secretary for a motion picture  
16 production company in a state-certified production. However, credits cannot be  
17 applied against a tax or transferred until the expenditures are certified by the office  
18 and the secretary. For state-certified productions, expenditures shall be certified no  
19 more than once per production, after project completion. However, if at the time of  
20 application for initial certification, the office is notified that post-production

1 activities will take place in Louisiana, a supplemental request for certification of  
2 expenditures directly related to such post-production activity may be submitted for  
3 consideration by the office. The cost of any verification or audit of such  
4 expenditures shall be borne by the motion picture production company. The tax  
5 credit shall be calculated as a percentage of the total base investment dollars certified  
6 per project.

7 \* \* \*

8 (c) For state-certified productions approved by the office and the secretary  
9 on or after July 1, 2009:

10 \* \* \*

11 (vi) To the extent that the base investment for a state-certified production is  
12 expended at a facility that was a state-certified motion picture infrastructure project  
13 that received tax credits pursuant to this Section, there shall be allowed an additional  
14 tax credit of five percent of the expenditures incurred at the facility.

15 (vii) The initial certification shall be effective for qualifying expenditures  
16 made within a period twelve months prior to and twenty-four months after the date  
17 of the initial certification.

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DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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HB 671 Original

2017 Regular Session

Glover

**Abstract:** Grants an additional 5% motion picture tax credit for expenses incurred at a state-certified motion picture infrastructure project that received motion picture tax credits.

Present law authorizes an income tax credit for expenditures related to state-certified productions. The amount of the credit is as follows:

- (1) A 30% tax credit if the total base investment is greater than \$300,000. However, if a state-certified production does not include a La. promotional graphic or an alternative marketing opportunity approved by the department, the amount of the credit is reduced to 25% of the base investment made by the investor.

- (2) A 30% tax credit for a base investment of greater than \$50,000 but less than \$300,000 if each applicant accepts as a condition for earning the tax credit, that at least 90% of the total amount of the applicant's expenditures for above the line services shall be expended on La. residents and that at least 90% of the total number of jobs in the production shall be jobs in which the applicant will employ La. residents.
- (3) An additional 15% tax credit for investments of greater than \$300,000 if the state-certified production is based on a screenplay owned or optioned to own by certain La. companies that meet all requirements of present law.
- (4) An additional 15% tax credit for investments expended on music owned or copyrighted by a La. resident or La. company that meets all requirements of present law.
- (5) An additional 10% tax credit on the payroll of a production which is expended on La. residents employed in connection with a state-certified production.

Proposed law grants an additional 5% tax credit for expenditures incurred at a state-certified motion picture infrastructure project that received motion picture tax credits.

(Amends R.S. 47:6007(C)(1)(c)(vi); Adds R.S. 47:6007(C)(1)(c)(vii))