

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 312** HLS 18RS 552

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 14, 2018 4:19 PM	Author: ABRAHAM
Dept./Agy.: LA Dept. of Economic Development	Analyst: Zachary Rau
Subject: Prohibitions on Final Certification for Certain Films	

TAX CREDITS

EG NO IMPACT See Note

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Prohibits certain types of productions from being eligible for the motion picture production tax credit

Present law requires firms applying for motion picture production tax credits to submit a statement to the LA Dept. of Economic Development declaring they are not required to maintain records pursuant to federal law (18 USC 2257) regarding films containing sexually explicit conduct prior to issuing final certification of production expenditures.

Proposed law further prohibits LED from issuing final certification for production expenditures for state-certified productions required to maintain records pursuant to 18 USC 2257. Applicable to films applying for initial certification on and after July 1, 2018.

Effective July 1, 2018.

EXPENDITURES	2018-19	2019-20	2020-21	2021-22	2022-23	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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2018-19	2019-20	2020-21	2021-22	2022-23	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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

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. Staff at the LA Dept. of Economic Development (LED) report that the department currently does not issue credits to projects required to maintain records pursuant to 18 USC 2257, therefore proposed law codifies current administrative practice.

- 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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