HLS 19RS-196 ORIGINAL

2019 Regular Session

HOUSE BILL NO. 472

1

BY REPRESENTATIVE GLOVER

TAX CREDITS: Provides an additional motion picture tax credit for eligible expenditures incurred on productions produced at certain facilities

AN ACT

2 reenact R.S. 47:6007(C)(1)(a)(ii)(cc) To amend and to enact R.S. 3 47:6007(C)(1)(a)(i)(cc), relative to income tax credits; to provide with respect to the 4 motion picture production tax credit; to provide for an additional credit for certain 5 state-certified film production expenditures incurred on productions at certain 6 facilities; to provide for certain requirements and limitations; to provide for an 7 effective date; and to provide for related matters. 8 Be it enacted by the Legislature of Louisiana: 9 Section 1. R.S. 47:6007(C)(1)(a)(ii)(cc) is hereby amended and reenacted and R.S. 10 47:6007(C)(1)(a)(i)(cc) is hereby enacted to read as follows: 11 §6007. Motion picture production tax credit 12 13 C. Production tax credit; specific productions and projects. 14 (1) 15 16 (a) Project-based production tax credit. For applications for state-certified 17 productions on or after July 1, 2017: 18 (i) Base investment credit. If the total base investment is greater than three 19 hundred thousand dollars, or if a production is a Louisiana screenplay production, 20 each investor shall be allowed a tax credit of twenty-five percent of the base

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1	investment made by the investor. Investors may receive an increased base
2	investment credit rate by satisfying any of the following criteria:
3	* * *
4	(cc) Production expenses incurred at certain facilities. A five percent increase
5	in the base investment tax credit rate shall be allowed for production expenditures
6	incurred on a state-certified production that were expended at a facility that was a
7	state-certified motion picture infrastructure project that received tax credits pursuant
8	to this Section. In order to be eligible for the additional tax credit provided for in
9	this Subitem, the state-certified production shall also be eligible for the out-of-zone
10	filming project-based production tax credit set forth in Subitem (aa) of this Item.
11	(ii) Additional payroll and visual effects credits.
12	* * *
13	(cc) The maximum tax credit that a production can earn pursuant to this
14	Paragraph for the base investment credit, including base investment increases for
15	out-of-zone filming, production expenses incurred at certain facilities, and Louisiana
16	screenplay, and the additional payroll and visual effects credits is forty-five percent
17	of base investment.
18	* * *
19	Section 2. This Act shall become effective on July 1, 2019.

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)]

HB 472 Original

2019 Regular Session

Glover

Abstract: Grants an additional 5% motion picture production tax credit for expenses incurred at a state-certified motion picture infrastructure project that is also eligible for the out-of-zone filming tax credit.

<u>Present law</u> authorizes the following tax credits for state-certified productions:

- (1) A 25% tax credit if the base investment is in excess of \$300,000 or if the production is a La. screenplay production.
- (2) An additional 5% base investment credit for projects filmed outside the New Orleans Metro Zone, but not including St. John the Baptist Parish.

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- (3) An additional 10% base investment credit for certain expenditures equal to or greater than \$50,000 but less than \$5 million for projects meeting certain La. screenplay criteria.
- (4) A 15% credit for La. resident payroll expenditures.
- (5) A 5% credit for certain La.-based visual effects expenditures meeting certain requirements.

<u>Proposed law</u> authorizes an additional 5% base investment credit for production expenditures incurred on a state-certified production when those expenditures were made at a facility that has been deemed a state-certified motion picture infrastructure project. Further provides that in order to be eligible for this additional 5% credit, the project must also be eligible for the 5% base investment credit for projects filmed outside of the New Orleans Metro Zone.

<u>Present law</u> limits the maximum amount of tax credit that a production can earn at 40% of the base investment.

<u>Proposed law</u> increases the maximum credit available <u>from</u> 40% <u>to</u> 45% of the base investment.

<u>Present law</u> specifies that beginning July 1, 2017, no more than \$150 million of credits can be issued per fiscal year and that no more than \$180 million of credits can be claimed on tax returns or transferred to the Dept. of Revenue per fiscal year.

Proposed law retains present law.

Effective July 1, 2019.

(Amends R.S. 47:6007(C)(1)(a)(ii)(cc); Adds 47:6007(C)(1)(a)(i)(cc))