LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 472** HLS 19RS 196
Bill Text Version: **ORIGINAL**
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: April 14, 2019 3:04 PM
Author: GLOVER
Dept./Agy.: Economic Development
Subject: Film Production Tax Credits
Analyst: Greg Albrecht

TAX CREDITS OR NO IMPACT GF RV See Note

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

Present law provides a tax credit for 25% of production costs. This credit is increased by 5% under certain conditions if the production takes place outside the New Orleans Metro Statistical area, excluding St. John the Baptist Parish (out-of-zone filming). The maximum credit a production can earn for base spending, out-of-zone filming, use of a Louisiana screenplay, and additional payroll and visual effects is 40%.

Proposed law increases the out-of-zone filming credit enhancement by 5% for eligible productions, and increase the maximum credit for productions to 45%.

Effective July 1, 2019.

EXPENDITURES	2019-20	2020-21	2021-22	2022-23	2023-24	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	$0	$0	$0	$0	$0	**$0**
Annual Total	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

REVENUES	2019-20	2020-21	2021-22	2022-23	2023-24	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	$0	$0	$0	$0	$0	**$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

The bill enhances the tax credits available to productions filming outside the New Orleans area. This may encourage more production activity in the Baton Rouge and Shreveport areas (where production facilities are located other than New Orleans). According to LED, the program is currently fully subscribed at its current cap of $150 million per year of credit awards. Thus, the effect of the bill is to potentially redistribute some production activity within the state. To the extent productions take advantage of this enhanced credit availability, less overall production in the state may occur since there is a fixed amount of total credit award available. This effect would be mitigated to the extent productions (or ultimate credit holders) were willing to wait somewhat longer to realize their credit benefits by being prioritized in the $180 million per year maximum credit claim limitation in a subsequent year. Regardless, the bill would not increase the annual direct state fiscal costs of the program.

Senate	Dual Referral Rules	House
☐ 13.5.1 >= $100,000 Annual Fiscal Cost {S & H}		☐ 6.8(F)(1) >= $100,000 SGF Fiscal Cost {H & S}
☐ 13.5.2 >= $500,000 Annual Tax or Fee Change {S & H}		☐ 6.8(G) >= $500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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