The original instrument was prepared by Leonore Heavey. The following digest, which does not constitute a part of the legislative instrument, was prepared by Curry J. Lann.

DIGEST

SB 173 Engrossed 2021 Regular Session Hewitt

Present law authorizes a motion picture production base investment tax credit of 25% of production expenditures in this state for productions with a base investment greater than $300,000 and authorizes an additional base investment credit of 5% for projects filmed outside the New Orleans Metro Zone, as delineated by the federal Office of Management and Budget, but not including St. John the Baptist Parish.

Proposed law retains present law and adds St. Tammany Parish to the parishes inside the New Orleans Metro Zone that qualify for the out-of-zone base investment credit enhancement.

Present law authorizes the expenditure of 75% of the funds in the La. Entertainment Development Fund for education development initiatives, matching grants for Louisiana filmmakers, a loan guarantee program, and a deal closing fund.

Proposed law removes the loan guarantee program and deal closing fund from the permissible uses of the La. Entertainment Development Fund and adds state work force development programs and other motion picture and television related programs as determined by rule by the department.

Present law requires that initial certification submitted by the film office, the investors, and the Department of Revenue provide for a preliminary allocation of tax credits by year.

Proposed law makes the provision of a preliminary allocation of tax credits by year permissive.

Present law provides that no credits shall be authorized for applications received after July 1, 2025.

Proposed law extends the program termination date from July 1, 2025, to July 1, 2028.

Present law authorizes the department to establish the method of provisionally allocating available tax credits by rule.

Proposed law requires the department to grant tax credits in final certification letters on a first-come, first-served basis or by any method determined to be beneficial to the program.

Present law provides for a $150 million credit granting cap per fiscal year and does not allow the rollover of excess credit cap in the event that the entire $150 million is not granted in a fiscal year.

Proposed law allows the rollover of any credit cap in excess of credits granted in a fiscal year to be used in subsequent fiscal years.

Present law provides that the maximum amount of credits that may be granted for a single state-certified production shall not exceed $20 million, except for state-certified productions for scripted episodic content that may be granted up to $25 million per season.

Proposed law increases the maximum per production cap to $22 million for productions that are not for scripted episodic content and retains the $25 million per season cap.

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

(Amends R.S. 47:6007(C)(1)(a)(i)(aa) and (4)(h)(ii) and (iii)(bb), (D)(2)(d)(i), (I), (J)(1), and (3)(a))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill

1. Extends the program termination date from July 1, 2025, to July 1, 2028.

2 Increases the maximum per production cap to $22 million for single productions.

3. Requires the department to grant tax credits in final certification letters on a first-come, first-served basis or by any method determined to be beneficial to the program.