

ACT No. 411

HOUSE BILL NO. 562

BY REPRESENTATIVES SCHEXNAYDER, ADAMS, BAGLEY, BOYD, BRASS, BRYANT, CARPENTER, WILFORD CARTER, CORMIER, DAVIS, DUBUISSON, FISHER, FREEMAN, GAINES, GAROFALO, GLOVER, GREEN, HUGHES, JEFFERSON, JENKINS, TRAVIS JOHNSON, KNOX, LAFLEUR, LANDRY, MARCELLE, MARINO, NEWELL, ROBERT OWEN, PHELPS, PIERRE, SCHLEGEL, STAGNI, VILLIO, AND WILLARD

1 AN ACT

2 To amend and reenact R.S. 47:6007(B)(11), (C)(1)(a)(iv) and (4)(h)(iii)(bb), (D)(2)(c)(i) and
3 (d)(i), (I), and (J)(1) and to enact R.S. 47:6007(C)(8) and (K), relative to the motion
4 picture production tax credit; to provide relative to Louisiana promotional graphics
5 requirements for productions; to provide relative to uses of the Louisiana
6 Entertainment Development Dedicated Fund Account; to provide relative to
7 expenditure data collection; to provide for eligibility for the tax credit; to provide
8 with respect to the Department of Economic Development program issuance cap; to
9 remove certain limitations with respect to the issuance cap; to extend the sunset date
10 of the tax credit; and to provide for related matters.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 47:6007(B)(11), (C)(1)(a)(iv) and (4)(h)(iii)(bb), (D)(2)(c)(i) and
13 (d)(i), (I), and (J)(1) are hereby amended and reenacted and R.S. 47:6007(C)(8) and (K) are
14 hereby enacted to read as follows:

15 §6007. Motion picture production tax credit

16 B. Definitions. For the purposes of this Section:

17 * * *

18 (11) "Louisiana promotional graphic" means a graphical brand or logo for
19 promotion of the state which has been approved by the office: for a production and
20 consists of the following:

21 (a) Either of the following:

1 (8)(a) No credit may be earned by, certified, issued to, transferred by, or used
 2 to reduce a Louisiana tax liability by a motion picture production company,
 3 irrevocable designee, taxpayer, or claimant if there exists a delinquent federal, state,
 4 or local tax obligation, including the filing of returns and remittance of taxes subject
 5 to collection. Compliance with this requirement shall be certified by the motion
 6 picture production company, irrevocable designee, taxpayer, or claimant before any
 7 credit may be certified, transferred, or sold.

8 (b) The prohibition in Subparagraph (a) of this Paragraph shall not apply to
 9 any tax liability which has been properly protested or appealed by the motion picture
 10 production company pursuant to R.S. 47:1561 et seq.

11 (c) The prohibition in Subparagraph (a) of this Paragraph shall remain in
 12 effect until all delinquent returns have been filed and delinquent taxes have been
 13 paid, and until a Notice of Cancellation or equivalent form is properly filed and
 14 recorded to cancel all federal, state, or local tax obligations.

15 D. Certification and administration.

16 * * *

17 (2)

18 * * *

19 (c)(i) In order to protect the integrity of the motion picture investor tax credit
 20 program by ensuring that tax credits are certified only for eligible expenditures and
 21 to provide for uniformity in expenditure verification reporting, the department shall
 22 directly engage and assign an independent certified public accountant, hereinafter
 23 referred to as "CPA", to prepare, for the department, the required production
 24 expenditure verification report on a tax credit applicant's cost report of expenditures
 25 or claims. The applicant shall be responsible for and assessed any production
 26 expenditure verification report fee that may be required by law, including any
 27 up-front deposit of the fee. For purposes of the report, the applicant shall make all
 28 records related to the tax credit application available to the CPA. For applications
 29 received on or after July 1, 2023, these records shall include a listing of all Louisiana

1 expenditures detailing the date of the expenditure, the vendor's address including the
2 zip code, and the amount of the expenditure.

3 * * *

4 (d)(i) Project-based production tax credit. After application review and
5 consideration of all discretionary factors, the office and the secretary shall submit
6 their initial certification or written denial of a project as a state-certified production
7 to investors and to the secretary of the Department of Revenue indicating the total
8 base investment which shall be expended in the state on the state-certified production
9 within sixty days of their receipt of all required information. The initial certification
10 shall include a unique identifying number for each state-certified production ~~and~~
11 ~~shall provide for a preliminary allocation of tax credits by year.~~

12 * * *

13 I. No credits shall be allowed pursuant to this Section for applications
14 received on or after July 1, ~~2025~~ 2031.

15 J. Credit caps, structured pay outs, and project size limitations.

16 (1) Department of Economic Development program issuance cap.

17 (a) The department shall by rule establish ~~the method of provisionally~~
18 ~~allocating available tax credits in initial certification letters, and~~ the method for
19 granting tax credits in final tax credit certification letters, including but not limited
20 to a first-come, first-served system, reservation of tax credits for a specific time
21 period, or other method which the department, in its discretion, may find beneficial
22 to the program.

23 (b) For applications for state-certified productions and qualified
24 entertainment companies submitted on or after July 1, 2017, but prior to July 1, 2023,
25 the total amount of all tax credits granted in a final certification letter by the
26 department in any fiscal year shall not exceed one hundred fifty million dollars.
27 Twenty percent of the annual program cap shall be reserved as follows: five percent
28 for qualified entertainment companies, five percent for Louisiana screenplay
29 productions, and ten percent for independent film productions. If the total amount
30 of credits applied for in any particular year exceeds the aggregate amount of tax

1 credits allowed for that year, the excess shall be treated as having been applied for
2 on the first day of the subsequent year.

3 ~~(e)~~ (i) If the total amount of credits granted to QECs in any fiscal year is less
4 than the QEC cap, any residual amount of unused credits shall carry forward for use
5 in subsequent years and may be granted in addition to the QEC cap for each year.

6 (ii) If the total amount of credits granted in any fiscal year to screenplay
7 productions or independent film productions is less than their respective caps, any
8 residual amount may be available for issuance by the department during that fiscal
9 year as established by rule.

10 ~~(d)~~ (iii) The department shall make reasonable efforts to post a listing of
11 estimated amounts available under the cap on its website.

12 (c) For applications for state-certified productions and qualified
13 entertainment companies submitted on or after July 1, 2023, the total amount of all
14 tax credits granted in a final certification letter by the department in any fiscal year
15 shall not exceed one hundred fifty million dollars. If the total amount of credits
16 applied for in any particular year exceeds the aggregate amount of tax credits
17 allowed for that year, the excess shall be treated as having been applied for on the
18 first day of the subsequent year.

19 * * *

20 K. The office shall develop a new Louisiana promotional graphic which
21 includes a symbol that is easily recognized as representing the state of Louisiana.
22 The promotional graphic shall be submitted to the Joint Legislative Committee on
23 the Budget for approval no later than November 1, 2023.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____