Existing law establishes tax credits for a variety of activities related to musical and theatrical productions.

New law eliminates two of these tax credits: the credit for qualified transportation costs for performance-related property, and the credit for projects for nonprofit community theaters.

Prior law authorized a tax credit for the construction, repair, or renovation of a state-certified musical or theatrical facility infrastructure project (infrastructure project). The amount of the credit was equal to between 10% and 25% of the amount invested depending upon the magnitude of the investment. Eligibility was limited to no more than $10 million in investment per project, with a $60 million per year cap on all tax credits granted. Infrastructure project expenditures required certification by the Dept. of Economic Development before a tax credit could be granted.

New law changes the infrastructure project tax credit with respect to definitions, eligibility, and duration of the credit program.

Prior law terminated the authority for the granting of tax credits for infrastructure projects on Jan. 1, 2014.

New law changes application of the Jan. 1, 2014 termination date from the granting of tax credits to the date by which a project shall have received initial certification of its expenditures. Further, new law authorizes tax credits for projects which receive initial certification on or before Jan. 1, 2014, for expenditures made on or before Jan. 1, 2015, thus extending the termination date for the authority to grant tax credits for projects receiving initial certification before Jan. 1, 2014 from Jan 1, 2014 to the time at which expenditures made prior to Jan. 1, 2015 are certified.

New law changes prior law with respect to the types of infrastructure projects eligible for tax credits. New law provides that after Jan. 1, 2014, the availability of tax credits for such projects shall be limited to those projects situated on a parcel of land located on the campus of a higher education institution which is owned by a higher education campus institution or support foundation related to the campus and primarily operated to benefit and support campus students and faculty (higher education projects).

New law provides that higher education projects which receive initial certification on or before Jan. 1, 2018, may earn a tax credit for expenditures on or before Jan. 1, 2022. Further, 25% of the total investment shall have been expended on or before Jan. 1, 2020, in order for the project to earn a tax credit for any remaining estimated expenditures provided for in its initial certification letter, which shall have been made on or before Jan. 1, 2022.

New law requires that a higher education project be complete before any credits are certified.

New law makes the following changes to definitions used for tax credits for infrastructure projects, including higher education projects.

Existing law defines "infrastructure project" as a capital infrastructure project in La. directly related to the production or performance of musical or theatrical productions, property and equipment related thereto, any other facility which supports and is a necessary component of such facility, and any expenditures in the state related to the construction, repair, or renovation of such project.

New law retains definition in existing law for "infrastructure project", but only for those projects which receive initial certification before July 1, 2013.

New law revises the definition of "infrastructure project" for those projects which receive initial certification on or after July 1, 2013. New law defines "infrastructure project" as a new or rehabilitated proscenium or black-box theatre infrastructure project located in La. and any expenditures in the state directly related to the construction, repair, or renovation of such project. Further, the primary purpose of the proposed facility shall be to host live performances and the facility shall have a minimum capacity of 500. Expenditures

attributable to areas other than where live performances will take place may comprise no more than 25% of total expenditures.

New law also defines "higher education infrastructure project" in the same manner as new law for projects receiving initial certification on or after July 1, 2013, except limits projects to those located on the campus of an institution of higher education.

New law defines "infrastructure expenditures" as those directly related to a state-certified infrastructure project or state-certified higher education infrastructure project including land and land acquisition costs, construction costs, design fees, furniture, fixtures, and equipment purchased subject to a sale agreement or capital lease. New law excludes from the definition of "infrastructure expenditures" indirect costs such as general administrative costs, insurance, or any costs related to the transfer or allocation of tax credits.

Prior law defined "state-certified musical or theatrical production" as a musical or theatrical production or a series of productions occurring over the course of a twelve-month period, and the recording or filming of such production, which originated, were developed, or had their initial public performance before an audience within La., or which had their U.S. debut within La., and expenditures related thereto. New law includes concerts, musical tours, ballet, dance, comedy revue, or live variety entertainment within the definition of "state-certified musical or theatrical production".

Existing law provides for disallowance and recapture of credits.

New law rewords provisions of existing law regarding disallowance and recapture, but retains its substance.

Effective July 1, 2013.

(Amends R.S. 47:6034(A), (B)(4), (8), (9), (10), and (11), (C)(1)(a)(ii)(aa) and (bb) and (3), (E)(1)(e), and (F); Adds R.S. 47:6034(B)(12) and (J); Repeals R.S. 47:6034(C)(1)(b), (e), and (f))