
DIGEST

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HB 213 Original

2015 Regular Session

Jay Morris

Abstract: Beginning Jan. 1, 2016, establishes an annual \$50 million program cap for the certification of motion picture investor tax credits and implements a system for awarding the tax credits.

Present law provides for an income tax credit for La. taxpayers for investment in state-certified productions earned at the time expenditures are made by a motion picture production company in a state-certified production. The amount of the credit shall be equal to 30% of the base investment made by the investor if the total base investment is more than \$300,000. Additionally provides for a credit equal to 5% of base investment expended on payroll for La. residents employed in connection with a state-certified production. However, this credit does not apply to the payroll of any one person that exceeds \$1 million.

Proposed law retains present law but establishes a program cap of \$50 million in tax credits that may be certified each fiscal year.

Proposed law requires the office and the secretary grant credits giving preference to productions that provide the greatest economic return to the state considering all of the following factors:

- (1) The impact of the production on the immediate and long-term objectives of proposed law.
- (2) The percentage of payroll spent on the employment of La. residents.
- (3) The impact of the production on the overall economy of the state, including the percentage of production expenditures expended in the state.
- (4) The payment of La. income or corporate franchise taxes by the production company or the deduction or withholding of La. income tax on wages earned by employees in this state.
- (5) The use of an animated state brand or logo, or both in the production.

Present law requires the office or the secretary to issue an initial certification or written denial of a project within 60 days of receiving a tax credit application.

Proposed law retains present law but prohibits the office and the secretary from issuing initial certification or written denial of a project within the first 30 days of a new fiscal year.

Effective beginning Jan. 1, 2016.

(Amends R.S. 47:6007(D)(1)(d) and (D)(2)(c); Adds R.S. 47:6007(C)(1)(e))