
DIGEST

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HB 404 Original

2015 Regular Session

Talbot

Abstract: Authorizes the invalidation of tax credits if an investor is convicted of certain violations associated with applying for and the awarding of 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 \$1million dollars.

Present law provides for the recapture and recovery of credits if the office finds that monies for which an investor received tax credits are not expended on state-certified productions within the required time frame.

Proposed law retains present law but adds requirement for the invalidation of tax credits awarded if the office determines that an investor who was granted a tax credit has been convicted of a criminal violation related to the application for or awarding of tax credits. Authorizes the Dept. of Revenue to increase the investor's state income tax liability by the amount of credits invalidated by the office until the amount of the invalidated tax credits is fully recovered, including any penalty, interest, and other costs.

Proposed law provides for the invalidation of tax credits awarded if the office determines that an investor who was granted a tax credit has been convicted of a criminal violation involving fraud or misrepresentation of any information included in the tax credit application.

(Adds R.S. 47:6007(G))