
DIGEST

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HB 763 Original

2015 Regular Session

Stokes

Abstract: Limits transferability of motion investor tax credits to a one-time transfer and increases the state's buy back amount on these tax credits from 85% to 88% of face value of the credit.

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 \$1M dollars.

Present law authorizes the transfer or selling of a tax credit not previously claimed by any taxpayer against income tax liability. Present law sets forth requirements and restrictions regarding the selling or transfer of tax credits including notification to the Dept. of Revenue of the transfer or sale. The transfer or sale of this credit does not extend the time in which the credit can be used and the carryforward period of a credit transferred or sold begins on the date the credit was earned.

Proposed law limits the transferability of tax credits awarded pursuant to applications submitted to the office on or after Jan. 1, 2016, to a one-time transfer within four years of the date in which the credit was earned to another La. taxpayer or to the office.

Present law authorizes an investor who earned a tax credit for a project which received initial certification after July 1, 2009, to transfer the credits to the office for 85% of the credit's face value.

Proposed law increases the amount of the state buy back from 85% to 88%.

Proposed law provides that for all applications submitted to the office on or after Jan. 1, 2016, an investor may assign his interest on a one-time basis to a lender at the time of final certification. All of the requirements and limitations regarding the transferability of credits shall apply to lenders which have been assigned tax credits including the requirement that the assignment be registered in the tax credit registry as required in present law.

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

(Amends R.S. 47:6007(C)(4)(f)(ii); Adds R.S. 47:6007(C)(8))