

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 748** HLS 15RS 396

Bill Text Version: **ENROLLED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: June 18, 2015 10:13 AM	Author: STOKES
Dept./Agy.: Economic Development	
Subject: Film Credit Program Administration	Analyst: Greg Albrecht

TAX CREDITS EN DECREASE GF RV See Note Page 1 of 1
Provides relative to the motion picture investor tax credit and the motion picture infrastructure investor tax credit

The bill provides a number of codifications in administering the film tax credit program, including requiring credit transfers to be recorded in the registry, allowing productions for digital online viewing, allowing marketing expenditures to qualify for credits after 1/1/16, and defining project completion and taxpayer. Initial certification is effective for spending made within a year before and two years after initial certification. The nonrefundable credit carry-forward is shortened to five years from ten. Credit transfers to the state must be made within one year of certification. Only spending during the initial certification period shall earn credits. Establishes that credits are not entitlements. Provides recapture authority and procedures for the Revenue Department. No infrastructure credits shall be certified after July 1, 2017.

EXPENDITURES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	\$0	DECREASE	DECREASE	DECREASE	DECREASE	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0					\$0

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

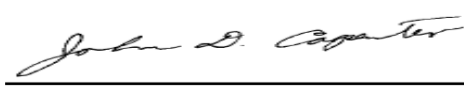
The bill appears to expand program costs after January 1, 2016 by allowing marketing expenditures to be considered production expenditures, making them eligible to generate tax credits.

The Department of Economic Development already considers distribution through online platforms as eligible for the program (as only a distribution plan is required, not a specific type of distribution).

The infrastructure credit expired in December of 2008. This bill establishes final dates for submitting documentation (December 31, 2015) and for certifying credits (July 1, 2017).

Various other changes do not appear to materially expand or contract the program, and are not likely to change overall program costs.

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|-----------------------------------------------------------------------------|----------------------------|--------------|--------------------------------------------------------------------------------------------|
| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 Rev. Red. to State {H & S} |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | | | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |


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