

SENATE COMMITTEE AMENDMENTS

2016 Regular Session

Amendments proposed by Senate Committee on Revenue and Fiscal Affairs to Engrossed House Bill No. 737 by Representative Abramson

1 AMENDMENT NO. 1

2 On page 1, line 2, between "R.S. 47:114(E)," and "relative to" insert "164(D)(2), and Section
3 2 of Act No. 425 of the 2015 Regular Session of the Legislature,"

4 AMENDMENT NO. 2

5 On page 1, line 8, after "R.S. 47:114(E)" delete "is" and insert "and 164(D)(2) are"

6 AMENDMENT NO. 3

7 On page 1, between lines 15 and 16 insert:

8 "§164. Information at source

9 * * *

10 D. Withholding of tax at source. (1) * * *

11 (2)(a) The motion picture investor tax credit pursuant to R.S. 47:6007 awards
12 a tax credit for investments made and used for production expenditures in this state
13 for state-certified productions. Therefore, any individual receiving any payments for
14 the performance of services used directly in a production activity, which payments
15 shall be claimed as a production expenditure for purposes of certification of tax
16 credits, is deemed to be receiving Louisiana taxable income whether directly or
17 indirectly through an agent or agency, loan-out company, a personal service
18 company, an employee leasing company, or other entity and therefore these
19 payments are subject to the withholding requirements of state and federal law and
20 regulations.

21 (b) Any motion picture production company, motion picture payroll services
22 company, or other entity making or causing to be made payments as provided in
23 Subparagraph (a) of this Paragraph, to an individual, or to an agent or agency, loan-
24 out company, personal service company, employee leasing company, or other entity
25 is considered to be paying compensation taxable by the state of Louisiana. For
26 purposes of eligibility as a production expenditure, the company or other entity shall
27 withhold taxes from those payments at the highest individual rate of six percent, or
28 the highest individual rate in effect at the time and remit these payments to the
29 department quarterly, excluding any amount that would otherwise not be subject to
30 the withholding requirements imposed pursuant to state and federal law and
31 regulations.

32 (c) The motion picture production company, motion picture payroll services
33 company, or other entity required to withhold income taxes as required by this
34 Paragraph shall electronically report the information required by Items (i) through
35 (iv) of this Subparagraph and remit ~~such~~ the withholdings on all payments provided
36 for in Subparagraphs (a) and (b) of this Paragraph to the Department of Revenue
37 quarterly. The information reported as required by this Subparagraph may be
38 provided to the Department of Economic Development and if provided, shall be
39 subject to the confidentiality provisions of R.S. 47:1508(B)(20). The reports shall
40 contain the following information:

41 (i) Name, address, and taxpayer identification number of the loan-out
42 company or other entity.

43 (ii) Identification of entity type: C Corporation, S Corporation, or Limited
44 Liability Company with tax type specified.

45 (iii) Name, address, and social security number of the payee.

46 (iv) An affirmative statement of whether or not the production company is
47 a related party to the loan-out company or other entity, and if so, provision of an
48 affidavit stating under penalty of perjury that the transaction is valued at the same

1 value that an unrelated party would value the same transaction. If the production
2 company is a related party to the loan-out company, the report shall also include all
3 of the following information:

- 4 (aa) The ownership structure of the loan-out company or other entity.
- 5 (bb) An estimate amount of what the loan-out company or other entity will
6 pay the payee.

7 Section 2. Section 2 of Act No. 425 of the 2015 Regular Session of the Legislature
8 is hereby amended and reenacted to read as follows:

9 * * *

10 Section 2. The provisions of this Act shall be applicable to expenditures occurring
11 after January 1, 2016, for productions which receive initial certification on or after January
12 1, 2016."

13 AMENDMENT NO. 4

14 On page 1, line 16, delete "Section 2." and insert "Section 3."

15 AMENDMENT NO. 5

16 On page 2, line 1, delete "Section 3." and insert "Section 4."