

2017 Regular Session

HOUSE BILL NO. 631

BY REPRESENTATIVE JAY MORRIS

TAX CREDITS: Provides relative to the cap on the amount of motion picture production tax credits paid each year

1 AN ACT

2 To amend and reenact R.S. 47:6007(C)(1)(d)(ii) and to enact R.S. 47:6007(C)(1)(d)(ii)(dd),
3 relative to income tax credits; to provide with respect to the motion picture
4 production tax credit; to provide for an annual cap on the amount of credits certified
5 by the office; to provide for certain limitations; to provide for an effective date; and
6 to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:6007(C)(1)(d)(ii) is hereby amended and reenacted and R.S.
9 47:6007(C)(1)(d)(ii)(dd) is hereby enacted to read as follows:

10 §6007. Motion picture production tax credit

11 * * *

12 C. Production tax credit; specific productions and projects.

13 (1)

14 * * *

15 (d)

16 * * *

17 (ii)(aa) For Fiscal Years 2015-2016, ~~2016-2017, and 2017-2018~~ through
18 2020-2021, claims against state income tax allowed on returns for tax credits or
19 transfers of ~~such~~ tax credits to the office as provided for in Paragraph (4) of this
20 Subsection shall be limited to an aggregate total of one hundred eighty million

1 dollars each fiscal year. For each fiscal year thereafter, claims against state income
2 tax allowed on returns for tax credits or transfers of tax credits to the office as
3 provided for in Paragraph (4) of this Subsection shall be limited to an aggregate total
4 of one hundred fifty million dollars per fiscal year. Claims for tax credits or
5 transfers of tax credits to the office shall be allowed on a first-come-first-served
6 basis. Any taxpayer whose claim for such tax credits or transfer to the office is
7 disallowed may use the tax credits against state income tax due in a return filed in
8 the next fiscal year or may transfer tax credits to the office the next fiscal year, and
9 his claim or transfer shall have priority over other claims filed or transfers applied
10 for after the date and time of his original claim or application for transfer.

11 (bb) If less than ~~one hundred eighty million dollars~~ the total maximum
12 aggregate amount of ~~such~~ tax credits and transfers are allowed in a fiscal year, the
13 remaining amount, plus any amounts remaining from previous fiscal years, shall be
14 added to the ~~one hundred eighty million~~ maximum aggregate dollar limit of
15 subsequent fiscal years until that amount of tax credits or tax credit transfers to the
16 office are claimed and allowed.

17 (cc) Beginning in Fiscal Year ~~2018-2019~~ 2020-2021, the cap on the
18 aggregate amount of tax credits that may be paid by the state or transferred to the
19 state shall be inapplicable, inoperable, and of no effect.

20 (dd) Beginning July 1, 2017, through December 31, 2018, the aggregate
21 amount of tax credits for applications by state-certified productions submitted on or
22 after July 1, 2017, that may be certified by the office pursuant to the provisions of
23 this Section shall not exceed one hundred eighty million dollars. Each calendar year
24 thereafter, the aggregate amount of tax credits for applications by state-certified
25 productions that may be certified by the office pursuant to the provisions of this
26 Section shall not exceed one hundred fifty million dollars. All applications receiving
27 final certification on the same business day shall be treated as receiving final
28 certification at the same time and if the aggregate amount of applications on a single
29 business day exceed the total allotment of tax credits for that year, all tax credits

Present law requires claims for tax credits or transfers of tax credits to be allowed on a first-come, first-served basis. Any taxpayer whose claim for tax credits is disallowed may use the tax credits against state income tax due in a return filed in the next fiscal year or may transfer tax credits to the office the next fiscal year, and his claim or transfer shall have priority over other claims filed or transfers applied for after the date and time of his original claim or application for transfer.

Proposed law retains present law but adds that all applications receiving *final certification* on the same business day shall be treated as receiving final certification at the same time and if the aggregate amount of applications on a single business day exceed the total allotment of tax credits for that year, all tax credits received on that day shall be approved on a pro rata basis. Any taxpayer who received a pro rata reduction to a tax credit shall be given first priority for receiving the balance of his tax credit from the tax credit allotment for the subsequent year. Any application receiving final certification by the office after the total tax credit allotment for that year is exhausted shall be treated as having received final certification on the first day of the subsequent year.

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

(Amends R.S. 47:6007(C)(1)(d)(ii); Adds R.S. 47:6007(C)(1)(d)(ii)(dd))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Extend the \$180M *back-end* annual aggregate cap on the amount of tax credits that may be paid from FY 2018 to FY 2021.
2. Reduce the amount of the *front-end* annual aggregate cap on the amount of tax credits that may be certified each calendar year from \$180M each calendar year after Jan. 1, 2019, to \$150M each calendar year.