

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **SB 177** SLS 17RS 373

Bill Text Version: **ENROLLED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

|  |         |                             |
|--|---------|-----------------------------|
| <b>Date:</b> June 6, 2017  | 3:06 PM | <b>Author:</b> MORRELL      |
| <b>Dept./Agy.:</b> LA Dept. of Revenue                                   |         | <b>Analyst:</b> Zachary Rau |
| <b>Subject:</b> Alters Withholding Rates for Income Tax on Film Projects |         |                             |

TAX/TAXATION

EN NO IMPACT See Note

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Provides relative to the Motion Picture Tax Credit Program for the withholding of income tax for performance of services on a state-certified production. (gov sig)

Present law requires that in order to qualify as an eligible production expense for the Motion Picture Investor Tax credit, firms paying compensation for personal services shall remit withholding tax at the rate of 6% or the highest individual income tax rate in effect.

Proposed law retains present law, but alters withholding rates to those specified on withholding allowance certificates, L-4, or the highest individual income tax rate in effect if there is no withholding allowance certificate.

Effective upon governor's signature.

| <b>EXPENDITURES</b> | <b>2017-18</b> | <b>2018-19</b> | <b>2019-20</b> | <b>2020-21</b> | <b>2021-22</b> | <b>5 -YEAR TOTAL</b> |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| State Gen. Fd.      | \$0            | \$0            | \$0            | \$0            | \$0            | <b>\$0</b>           |
| Agy. Self-Gen.      | \$0            | \$0            | \$0            | \$0            | \$0            | <b>\$0</b>           |
| Ded./Other          | \$0            | \$0            | \$0            | \$0            | \$0            | <b>\$0</b>           |
| Federal Funds       | \$0            | \$0            | \$0            | \$0            | \$0            | <b>\$0</b>           |
| Local Funds         | \$0            | \$0            | \$0            | \$0            | \$0            | <b>\$0</b>           |
| <b>Annual Total</b> | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>           |

  

| <b>REVENUES</b>     | <b>2017-18</b> | <b>2018-19</b> | <b>2019-20</b> | <b>2020-21</b> | <b>2021-22</b> | <b>5 -YEAR TOTAL</b> |
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| Federal Funds       | \$0            | \$0            | \$0            | \$0            | \$0            | <b>\$0</b>           |
| Local Funds         | \$0            | \$0            | \$0            | \$0            | \$0            | <b>\$0</b>           |
| <b>Annual Total</b> | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>           |

**EXPENDITURE EXPLANATION**

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

**REVENUE EXPLANATION**

There is no anticipated direct material effect on governmental revenues as a result of this measure. The LA Dept. of Revenue (LDR) anticipates a reduction in withholding collections as a result of potentially decreasing withholding rates from the current 6% to rates reflected on withholding allowance certificates. However, the LDR further reports that decreased withholding rates may reduce future refunds for withholdings in excess of an individual's actual tax liability. As a result, revenue collections will not be materially affected in the aggregate, though the timing of collections will be altered.

Senate      Dual Referral Rules  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

*Gregory V. Albrecht*  


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**Gregory V. Albrecht**  
**Chief Economist**