

SENATE BILL NO. 248

BY SENATOR MORRELL

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AN ACT

To amend and reenact R.S. 47:6034(C)(1)(a)(ii)(aa) and (bb), (4), and (K) and to repeal R.S. 47:6034(C)(1)(a)(ii)(bb) as amended by Section 5 of Act No. 125 of the 2015 Regular Session of the Legislature, relative to tax credits; to provide for an annual credit cap for the musical and theatrical production income tax credit; to provide for a termination date; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 47:6034(C)(1)(a)(ii)(aa) and (bb), (4) and (K) are hereby amended and reenacted to read as follows:

§6034. Musical and theatrical production income tax credit

* * *

C. Income tax credits for state-certified productions and state-certified musical or theatrical facility infrastructure projects:

(1) There is hereby authorized the following types of credits against the state income tax:

(a) * * *

(ii)(aa) For state-certified infrastructure projects that receive initial certification on or before January 1, 2014, a base investment credit may be earned for expenditures made in the state on or before January 1, 2015, for the construction, repair, or renovation of a state-certified musical or theatrical facility infrastructure project or for investments made by a company or a financier in such infrastructure project which are, in turn, expended for such construction, repair, or renovation, not to exceed ten million dollars per state-certified infrastructure project, under

1 conditions provided for in this Item. ~~No more than sixty million dollars in tax credits~~
2 ~~under this Section shall be granted for infrastructure projects per year.~~

3 (bb)(I) For state-certified higher education musical or theatrical infrastructure
4 projects that receive initial certification before July 1, 2015, a base investment credit
5 may be earned for expenditures made in the state on or before January 1, 2022, for
6 the construction, repair, or renovation of a new state-certified higher education
7 musical or theatrical facility infrastructure project, or for investments made by a
8 company or a financier in such infrastructure project that are, in turn, expended for
9 such construction, repair, or renovation. ~~No more than ten million dollars in tax~~
10 ~~credits per project or sixty million dollars total in tax credits shall be granted for~~
11 ~~state-certified higher education musical or theatrical infrastructure projects for~~
12 ~~projects that receive initial certification before July 1, 2015.~~ Twenty-five percent of
13 the total base investment provided for in the initial certification letter of a state-
14 certified higher education musical or theatrical infrastructure project must be
15 expended on or before January 1, 2020, in order for the project to earn credits for the
16 remaining estimated base investment provided for in the initial certification letter,
17 as expenditures are made in the state on or before January 1, 2022. No credits shall
18 be certified until the state-certified higher education musical or theatrical
19 infrastructure project is complete. The initial certification letter shall be effective for
20 qualified expenditures made no more than six months prior to the date of application.
21 State-certified higher education musical or theatrical infrastructure projects shall not
22 be subject to the provisions of Subitem (cc) of this Item nor shall such projects be
23 subject to the provisions of Subsection H of this Section.

24 (II) For state-certified higher education musical or theatrical infrastructure
25 projects that receive initial certification on or after July 1, 2015, **and on or before**
26 **January 1, 2018**, a base investment credit may be earned for expenditures made in
27 the state on or before January 1, 2022, for the construction, repair, or renovation of
28 a new state-certified higher education musical or theatrical facility infrastructure
29 project, or for investments made by a company or a financier in such infrastructure
30 project that are, in turn, expended for such construction, repair, or renovation. ~~No~~

1 ~~more than seven million two hundred thousand dollars in tax credits per project or~~
2 ~~forty-three million two hundred thousand dollars total in tax credits shall be granted~~
3 ~~for state-certified higher education musical or theatrical infrastructure projects that~~
4 ~~receive initial certification on or after July 1, 2015.~~ Twenty-five percent of the total
5 base investment provided for in the initial certification letter of a state-certified
6 higher education musical or theatrical infrastructure project must be expended on or
7 before January 1, 2020, in order for the project to earn credits for the remaining
8 estimated base investment provided for in the initial certification letter, as
9 expenditures are made in the state on or before January 1, 2022. No credits shall be
10 certified until the state-certified higher education musical or theatrical infrastructure
11 project is complete. The initial certification letter shall be effective for qualified
12 expenditures made no more than six months prior to the date of application. State-
13 certified higher education musical or theatrical infrastructure projects shall not be
14 subject to the provisions of Subitem (cc) of this Item nor shall such projects be
15 subject to the provisions of Subsection H of this Section.

16 * * *

17 **(4)(a) Beginning July 1, 2017, the total amount of tax credits granted by**
18 **the department in any fiscal year shall not exceed ten million dollars.**

19 **(b) For applications received on or after July 1, 2017, no more than one**
20 **million dollars in tax credits shall be granted per project.**

21 **(c) The granting of credits under this Section shall be on a first-come, first-**
22 **served basis, with fifty percent of total tax credits available to be granted**
23 **annually reserved for state-certified musical or theatrical productions by**
24 **approved nonprofit organizations, as further provided by rules promulgated by**
25 **the department.** If the total amount of credits applied for in any particular year
26 exceeds the aggregate amount of tax credits allowed for that year, the excess shall
27 be treated as having been applied for on the first day of the subsequent year. **If the**
28 **total amount of credits granted in any fiscal year is less than the amount**
29 **available to be granted, any residual credit remaining shall be available to be**
30 **granted in subsequent fiscal years.**

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~~K. Commencing no later than January 31, 2016, the House Committee on Ways and Means and the Senate Committee on Revenue and Fiscal Affairs shall review the credit authorized pursuant to the provisions of this Section to determine if the economic benefit provided by such credit outweighs the loss of revenue realized by the state as a result of awarding such credit. The House and Senate committees shall make a specific recommendation no later than March 1, 2017, to either continue the credit or to terminate the credit. No credit shall be granted pursuant to this Section for applications received on or after July 1, 2025.~~

Section 2. R.S. 47:6034(C)(1)(a)(ii)(bb) as amended by Section 5 of Act No. 125 of the 2015 Regular Session of the Legislature is hereby repealed.

Section 3. This Act shall become effective on July 1, 2017.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____