DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 7 Original | 2018 Second Extraordinary Session | DeVillier

**Abstract:** Reduces the annual cap on motion picture production tax credits awarded in final certification letters by DED from $150M to $75M per fiscal year, reduces the annual cap on the amount of motion picture production tax credits that may be claimed on tax returns from $180M to $90M each fiscal year; and reduces the per project cap on motion picture productions from $20M to $10M per production and from $25M for scripted episodic content productions to $12.5M for scripted episodic content productions.

Present law provides for a cap of $150M in any fiscal year on tax credits that may be granted in a final certification letter by the Dept. of Economic Development (DED) for state-certified productions and qualified entertainment companies submitted on or after July 1, 2017. If the total amount of credits applied for in a year exceeds the aggregate amount of tax credits allowed for that year, the excess shall be treated as having been applied for on the first day of the subsequent year.

Present law reserves 20% of the annual program cap as follows: 5% for qualified entertainment companies; 5% for La. screenplay productions; and 10% for independent film productions.

Proposed law retains present law as it pertains to the reservation of annual tax credits but reduces the annual cap on tax credits granted by DED in final certification letters for state-certified productions and qualified entertainment companies beginning July 1, 2018, from $150M each fiscal year to $75M for each fiscal year.

Present law provides for a cap of $180M on the aggregate total amount of tax credit claims that the Dept. of Revenue (DOR) may allow on tax returns in any fiscal year. If less than the $180M dollars of tax credits and transfers are allowed in a fiscal year, the remaining amount, plus any amounts remaining from previous fiscal years, shall be added to the $180M cap of subsequent fiscal years until that amount of tax credits or tax credit transfers to the DOR are claimed and allowed.

Proposed law reduces the annual cap on tax credits claims allowed by DOR beginning July 1, 2018, from $180M per fiscal year to $90M per fiscal year. Further changes present law to reduce the amount of tax credit claims that may be allowed in subsequent years if the total annual cap is not claimed to match the reduction in the annual cap contained in proposed law.

Present law caps the amount of tax credits that may be granted to a single state-certified production $20M, per state-certified production. However, the cap for state-certified productions for scripted episodic content shall be capped at $25M per season.

Proposed law reduces the cap on single state-certified productions beginning July 1, 2018 from $20M per production to $10M per production. Further reduces the cap on state-certified productions for scripted episodic content from $25M per season to $12.5M per season.

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

(Amends R.S. 47:6007(J)(1)(b), (2)(a), and 3(a))