
DIGEST

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HB 52 Engrossed

2020 First Extraordinary Session

Coussan

Abstract: Increases the amount of the digital interactive media and software tax credit from 18% to 20% of the base investment with the additional 2% to be used for training new employees and expands eligibility for the credit to include information technology services.

Present law authorizes a digital interactive media income tax credit for state-certified productions submitted to the office of entertainment industry development on or after July 1, 2017, and subsequently approved by the office equal to 18% of the base investment. Further provides for an additional 7% tax credit to the extent that the base investment is expended on payroll for La. residents employed in connection with a state-certified production. Tax credits are earned by a company at the time funds are expended in La. on a state-certified production.

Proposed law retains present law but, beginning July 1, 2023, authorizes an additional 2% tax credit in the base investment rate for state-certified production expenditures. Proposed law requires the Dept. of Economic Development (DED) to retain the monies from the 2% additional tax credit on behalf of the applicant to be used to reimburse the applicant for eligible expenses incurred to train new employees who come from economically disadvantaged groups and targeted demographics such as women, minorities, and veterans. Further provides that eligible expenses include costs for training new employees, training providers, educational and training materials, and travel expenses.

Proposed law requires DED to promulgate rules in accordance with present law, subject to oversight by the House Ways and Means and Senate Revenue and Fiscal Affairs committees establishing a process for submission of expenses for reimbursement, the payment of eligible expenses, and the refund of remaining monies.

Present law defines "digital interactive media" as products or platforms that are intended for commercial production, use, or distribution that contain at least two of the following types of data: text, sound, fixed images, animated images, video, or 3D geometry, and that have certain specified characteristics.

Proposed law retains present law but expands the definition of "digital interactive media" to include information technology services provided in cybersecurity, cloud engineering, and data analytics in support of digital systems or platforms.

Present law defines a "state-certified production" as a digital interactive media production or a component part thereof.

Proposed law retains present law but expands the definition of "state-certified production" to include information technology services provided in cybersecurity, cloud engineering, and data analytics in support of digital systems or platforms approved by the office.

Effective July 1, 2023.

(Amends R.S. 47:6022(C)(5)(a) and (13); Adds R.S. 47:6022(D)(4)(c))

Summary of Amendments Adopted by House

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

1. Change the effective date for authorization of the additional 2% tax credit in the base investment rate for state-certified production expenditures from July 1, 2021, to July 1, 2023.
2. Change the effective date for provisions of proposed law from July 1, 2020, to July 1, 2023.