HLS 21RS-1006 ORIGINAL

2021 Regular Session

HOUSE BILL NO. 527

1

BY REPRESENTATIVE CREWS

TAX CREDITS: Expands eligibility for the digital interactive media and software tax credit to include information technology services

AN ACT

2 To amend and reenact R.S. 47:6022(C)(5)(a) and (13) and to enact R.S. 47:6022(B)(2)(d) 3 and (C)(5)(b)(vii), relative to the digital interactive media and software tax credit; 4 to expand the long-term objectives of the tax credit; to expand eligibility for the tax 5 credit to include certain information technology services; to provide for definitions; 6 to provide for an effective date; and to provide for related matters. 7 Be it enacted by the Legislature of Louisiana: 8 Section 1. R.S. 47:6022(C)(5)(a) and (13) are hereby amended and reenacted and 9 R.S. 47:6022(B)(2)(d) and (C)(5)(b)(vii) are hereby enacted to read as follows: 10 §6022. Digital interactive media and software tax credit 11 12 B. Purpose. The primary objective of this Section is to encourage 13 development in Louisiana of a strong capital base for the production of digital 14 interactive media products and platforms in order to achieve a more independent, 15 self-supporting industry. This objective is divided into immediate and long-term 16 objectives as follows: 17 18 (2) Long-term objectives are to: 19

1	(d) Promote the development and configuration of software requiring
2	individual complex configurations to support enterprise resource planning.
3	C. Definitions. For the purposes of this Section:
4	* * *
5	(5)(a)(i) "Digital interactive media" means products or platforms that are
6	intended for commercial production, use, or distribution; that contain at least two of
7	the following types of data: text, sound, fixed images, animated images, video, or 3D
8	geometry; and that have all of the following three characteristics:
9	(i)(aa) "Digital" means a system that uses discrete (discontinuous) values
10	ordinarily symbolized numerically to represent information for input, processing,
11	transmission, and storage. A digital system would be contrasted with an "analog"
12	system which uses a continuous range of values to represent information. The term
13	"digital" includes, but is not limited to information input, processed, transmitted and
14	stored via the Internet.
15	(ii)(bb) "Interactive" means a digital media system for inputting, processing,
16	transmitting, or storing information or data in which users of the system are able to
17	respond to the digital media system by inputting, transmitting, processing, or storing
18	information or data in response to the information or data provided to them through
19	the digital media system. "Digital media system" means communications delivered
20	via electronic energy where the information stored, transmitted, or received is in
21	digital form.
22	(iii)(cc) "Media" means communication tools used to store, transmit,
23	distribute, and deliver information and data. The term "media" includes methods and
24	mechanisms for information distribution through, but not limited to distributed
25	networks, such as the Internet, and through compact disc, CD-ROM, various types
26	of DVD, and other removable storage drives and devices.
27	(ii) "Digital interactive media" also means information technology services
28	used in the design, development, application, implementation, support, and
29	management of computer-based information systems.

1 (b) Some examples of digital interactive media are: 2 3 (vii) Computer-based information systems. 4 (13) "State-certified production" shall mean a digital interactive media 5 6 production or a component part thereof, including information technology services 7 used for computer-based information systems, approved by the office. 8 9 Section 2. This Act shall become effective upon signature by the governor or, if not 10 signed by the governor, upon expiration of the time for bills to become law without signature 11 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If 12 vetoed by the governor and subsequently approved by the legislature, this Act shall become 13 effective on the day following such approval.

## **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 527 Original

2021 Regular Session

Crews

**Abstract:** Expands eligibility for the digital interactive media income tax credit to include information technology services used in the design and development of computer-based information systems.

<u>Present law</u> 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.

<u>Present law</u> provides for the immediate objectives and long-term objectives of the tax credit which includes the development of a strong capital base for production of digital media products and platforms in La.

<u>Proposed law</u> retains <u>present law</u> but adds as a long-term objective the promotion of the development and configuration of software requiring individual complex configurations to support enterprise resource planning.

<u>Present law</u> 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

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CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

of data: text, sound, fixed images, animated images, video, or 3D geometry, and that have certain specified characteristics.

<u>Proposed law</u> retains <u>present law</u> but expands the definition of "digital interactive media" to include information technology services used in the design, development, application, implementation, support, and management of computer-based information systems.

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

<u>Proposed law</u> retains <u>present law</u> but expands the definition of "state-certified production" to include information technology services used for computer-based information systems.

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

(Amends R.S. 47:6022(C)(5)(a) and (13); Adds R.S. 47:6022(B)(2)(d) and (C)(5)(b)(vii))