

2021 Regular Session

HOUSE BILL NO. 538

BY REPRESENTATIVE GLOVER

TAX CREDITS: Provides for an additional motion picture tax credit for eligible expenditures incurred on productions produced at certain facilities

1 AN ACT

2 To amend and reenact R.S. 47:6007(C)(1)(a)(ii)(cc) and to enact R.S.

3 47:6007(C)(1)(a)(i)(cc), relative to income tax credits; to provide with respect to the

4 motion picture production tax credit; to provide for an additional credit for certain

5 state-certified film production expenditures incurred on productions at certain

6 facilities; to increase the maximum amount of credits a production can earn; to

7 provide for certain requirements and limitations; to provide for an effective date; and

8 to provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 47:6007(C)(1)(a)(ii)(cc) is hereby amended and reenacted and R.S.

11 47:6007(C)(1)(a)(i)(cc) is hereby enacted to read as follows:

12 §6007. Motion picture production tax credit

13 * * *

14 C. Production tax credit; specific productions and projects.

15 (1) There is hereby authorized a tax credit against state income tax for

16 Louisiana taxpayers for expenditures related to state-certified productions and

17 qualified entertainment companies. The tax credit shall be earned by a motion

18 picture production company at the time expenditures are certified by the office and

19 the secretary for a motion picture production company in a state-certified production.

20 However, credits cannot be applied against a tax or transferred until the expenditures

1 are certified by the office and the secretary. For state-certified productions,
 2 expenditures shall be certified no more than once per production, after project
 3 completion. However, if at the time of application for initial certification, the office
 4 is notified that post-production activities will take place in Louisiana, a supplemental
 5 request for certification of expenditures directly related to such post-production
 6 activity may be submitted for consideration by the office. The cost of any
 7 verification or audit of such expenditures shall be borne by the motion picture
 8 production company. The tax credit shall be calculated as a percentage of the total
 9 base investment dollars certified per project, or as otherwise provided in this
 10 Paragraph.

11 (a) Project-based production tax credit. For applications for state-certified
 12 productions on or after July 1, 2017:

13 (i) Base investment credit. If the total base investment is greater than three
 14 hundred thousand dollars, or if a production is a Louisiana screenplay production,
 15 each investor shall be allowed a tax credit of twenty-five percent of the base
 16 investment made by the investor. Investors may receive an increased base
 17 investment credit rate by satisfying any of the following criteria:

18 * * *

19 (cc) Production expenses incurred at certain facilities. A seven percent
 20 increase in the base investment tax credit rate shall be allowed for production
 21 expenditures incurred on a state-certified production that were expended at a facility
 22 that was a state-certified motion picture infrastructure project that received tax
 23 credits pursuant to this Section. In order to be eligible for the additional tax credit
 24 provided for in this Subitem, the state-certified production shall also be eligible for
 25 the out-of-zone filming project-based production tax credit set forth in Subitem (aa)
 26 of this Item.

27 (ii) Additional payroll and visual effects credits.

28 * * *

Present law specifies that beginning July 1, 2017, no more than \$150 million of credits can be issued per fiscal year and that no more than \$180 million of credits can be claimed on tax returns or transferred to the Dept. of Revenue per fiscal year.

Proposed law retains present law.

Effective July 1, 2021.

(Amends R.S. 47:6007(C)(1)(a)(ii)(cc); Adds 47:6007(C)(1)(a)(i)(cc))