
DIGEST

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HB 538 Original

2021 Regular Session

Glover

Abstract: Grants an additional 7% motion picture production tax credit for expenses incurred at a state-certified motion picture infrastructure project that is also eligible for the out-of-zone filming tax credit.

Present law authorizes the following tax credits for state-certified productions:

- (1) A 25% tax credit if the base investment is in excess of \$300,000 or if the production is a La. screenplay production.
- (2) An additional 5% base investment credit for projects filmed outside the New Orleans Metro Zone, but not including St. John the Baptist Parish.
- (3) An additional 10% base investment credit for certain expenditures equal to or greater than \$50,000 but less than \$5 million for projects meeting certain La. screenplay criteria.
- (4) A 15% credit for La. resident payroll expenditures.
- (5) A 5% credit for certain La.-based visual effects expenditures meeting certain requirements.

Proposed law authorizes an additional 7% base investment credit for production expenditures incurred on a state-certified production when those expenditures were made at a facility that has been deemed a state-certified motion picture infrastructure project. Further provides that in order to be eligible for this additional 7% credit, the project must also be eligible for the 5% base investment credit for projects filmed outside of the New Orleans Metro Zone.

Present law limits the maximum amount of tax credit that a production can earn at 40% of the base investment.

Proposed law increases the maximum credit available from 40% to 47% of the base investment.

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))