

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 173** SLS 21RS 415

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 20, 2021	5:52 PM	Author: HEWITT
Dept./Agy.: Economic Development		Analyst: Greg Albrecht
Subject: Motion Picture Production Tax Credit Program		

TAX/TAXATION

EG SEE FISC NOTE GF RV See Note

Page 1 of 1

Provides relative to the administration of the Motion Picture Production Tax Credit. (gov sig)

Proposed law makes a number of modifications to the program. (1) St. Tammany Parish is added as an out-of-zone filming location that provides an additional 5% credit (to the 25% base investment credit). (2) Specifies that the Louisiana Entertainment Development Fund can be used for motion picture and television workforce development programs. (3) Allows LED discretion in providing for final allocations of annually available tax credit amounts on a first-come, first-served basis. (4) Eliminates specified allocations of credit to qualified entertainment companies, Louisiana screenplay productions, and independent film productions. (5) Increases the maximum amount of credit that may be granted to a single production to \$22 million (from \$20M or \$25M for scripted episodic productions). (6) Extends the program for three years to July 1, 2028, from July 1, 2025.

Effective upon governor's signature.

EXPENDITURES	2021-22	2022-23	2023-24	2024-25	2025-26	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2021-22	2022-23	2023-24	2024-25	2025-26	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

The current program operates under a credit issuance of cap of \$150 million per year, and a credit claim cap of \$180 million per year. While the bill provides for reallocation of the available credit issuance amount, it does not change those program caps and, thus, does not change the annual fiscal cost of the program.

The bill does extend the availability of the credits to applications received up to July 1, 2028, three additional years beyond the current law termination of entry into the program on July 1, 2025. Program credit costs have fully realized maximum annual amounts each year since instituted beginning with FY16. Given historical participation levels, the bill continues those annual costs for an additional three years beyond what would occur under current law.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Christopher A. Keaton
Legislative Fiscal Officer