2025 Regular Session

HOUSE BILL NO. 341

BY REPRESENTATIVE MCCORMICK

TAX/INCOME TAX: Repeals the motion picture production tax credit and reduces the individual income tax rate

1	AN ACT	
2	To amend and reenact R.S. 47:32(A) and 6007(C)(1)(a)(introductory paragraph) and	
3	(b)(introductory paragraph) and (I), relative to income tax; to provide for the rate of	
4	the state tax levied on individual income; to provide for the motion picture	
5	production tax credit; to provide for termination of the credit; to provide for an	
6	effective date; and to provide for related matters.	
7	Be it enacted by the Legislature of Louisiana:	
8	Section 1. R.S. 47:32(A) and 6007(C)(1)(a)(introductory paragraph) and	
9	(b)(introductory paragraph) and (I) are hereby amended and reenacted to read as follows:	
10	§32. Rates of tax	
11	A. On individuals. The Prior to January 1, 2027, the tax to be assessed,	
12	levied, collected, and paid upon the taxable income of an individual shall be	
13	computed at the rate of three percent on net income. Beginning January 1, 2027, the	
14	tax to be assessed, levied, collected, and paid upon the taxable income of an	
15	individual shall be computed at the rate of two and seventy-five one hundredths	
16	percent on net income.	
17	* * *	
18	§6007. Motion picture production tax credit	
19	* * *	
20	C. Production tax credit; specific productions and projects.	

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

1	(1)
2	* * *
3	(a) Project-based production tax credit. For applications for state-certified
4	productions on or after July 1, 2017, and before July 1, 2025:
5	* * *
6	(b) Company-based QEC payroll tax credit for Qualified Entertainment
7	Companies approved by the office and the secretary on or after July 1, 2017, and
8	before July 1, 2025. To the extent that base investment is expended on payroll for
9	Louisiana residents in connection with a QEC, tax credits shall be earned at the
10	following rates:
11	* * *
12	I. No credits shall be allowed pursuant to this Section for applications
13	received on or after July 1, 2031 July 1, 2025.
14	* * *
15	Section 2. This Act shall become effective upon signature by the governor or, if not
16	signed by the governor, upon expiration of the time for bills to become law without signature
17	by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
18	vetoed by the governor and subsequently approved by the legislature, this Act shall become
19	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 341 Original	2025 Regular Session	McCormick

Abstract: Reduces the state individual income tax rate <u>from</u> 3% to 2.75% and terminates the motion picture production tax credit on July 1, 2025.

<u>Present law</u> provides that the tax to be assessed, levied, collected, and paid on the taxable income of individuals shall be computed at the rate of 3% on net income.

<u>Proposed law changes present law</u> by reducing the rate of tax levied on the income of individuals from 3% to 2.75%.

<u>Present law</u> authorizes the following tax credits for state-certified productions within the motion picture production income tax credit program:

- (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.

<u>Present law</u> also provides for a tax credit for Qualified Entertainment Companies (QEC) to the extent that base investment is expended on payroll for La. residents. QEC tax credits shall be earned at the following rates:

- (1) Tier 1 payroll credit equal to 15% for each new job whose QEC payroll is equal to or greater than \$45,000 per year, up to \$66,000 per year.
- (2) Tier 2 payroll credit equal to 20% for each new job whose QEC payroll is equal to or greater than \$66,000 per year, but no greater than \$200,000 per year.

<u>Proposed law</u> limits the acceptance of applications for the credits authorized in <u>present law</u> to July 1, 2025.

<u>Present law</u> prohibits credits from being allowed for applications received on or after July 1, 2031.

<u>Proposed law</u> changes <u>present law</u> by changing the date applications are prohibited from being accepted <u>from</u> July 1, 2031, to July 1, 2025.

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

(Amends R.S. 47:32(A) and 6007(C)(1)(a)(intro. para.) and (b)(intro. para.) and (l))