

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.

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18 §6007. Motion picture production tax credit

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

- (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.

Present law 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.

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

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

Proposed law changes present law by changing the date applications are prohibited from being accepted from 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 (I))