

Regular Session, 2013

HOUSE BILL NO. 693

BY REPRESENTATIVE LEGER

TAX CREDITS: Authorizes the use of motion picture investor tax credits against corporation franchise and severance taxes

1 AN ACT

2 To amend and reenact R.S. 47:6007(C)(1)(introductory paragraph), (2), (3), (4)(introductory
3 paragraph), and (E), relative to tax credits; to provide with respect to the motion
4 picture investor income tax credit; to authorize use of the credit against corporation
5 franchise and severance taxes; to provide for applicability; and to provide for related
6 matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:6007(C)(1)(introductory paragraph), (2), (3), (4)(introductory
9 paragraph), and (E) are hereby amended and reenacted to read as follows:

10 §6007. Motion picture investor tax credit

11 * * *

12 C. Investor tax credit; specific productions and projects.

13 (1) There is hereby authorized a tax credit against state income ~~tax for~~
14 Louisiana taxpayers , corporation franchise, and severance taxes for investment in
15 state-certified productions. The tax credit shall be earned by investors at the time
16 expenditures are made by a motion picture production company in a state-certified
17 production. However, credits cannot be applied against a tax or transferred until the
18 expenditures are certified by the office and the secretary. For state-certified
19 productions, expenditures shall be certified no more than twice during the duration
20 of a state-certified production unless the motion picture production company agrees

1 to reimburse the office for the costs of any additional certifications. The tax credit
2 shall be calculated as a percentage of the total base investment dollars certified per
3 project.

4 * * *

5 (2) The credit shall be allowed against the income ~~tax~~ and corporation
6 franchise taxes for the taxable period in which either the credit is earned or ~~for the~~
7 ~~taxable period~~ in which initial certification authorizes the credit to be taken. The
8 credit shall be allowed against the severance tax during any taxable period within
9 one calendar year of the taxable period in which either the credit is earned or in
10 which initial certification authorizes the credit to be taken. If the tax credit allowed
11 pursuant to this Section exceeds the amount of such taxes due for such tax period,
12 then any unused credit may be carried forward as a credit against subsequent tax
13 liability for a period not to exceed ten years.

14 (3)(a) Application of the credit for income tax.

15 ~~(a)~~ (i) All entities taxed as corporations for Louisiana income tax purposes
16 shall claim any credit allowed under this Section on their corporation income tax
17 return.

18 ~~(b)~~ (ii) Individuals, estates, and trusts shall claim any credit allowed under
19 this Section on their income tax return.

20 ~~(c)~~ (iii) Entities not taxed as corporations shall claim any credit allowed
21 under this Section on the returns of the partners or members as follows:

22 ~~(i)~~ (aa) Corporate partners or members shall claim their share of the credit
23 on their corporation income tax returns.

24 ~~(ii)~~ (bb) Individual partners or members shall claim their share of the credit
25 on their individual income tax returns.

26 ~~(iii)~~ (cc) Partners or members that are estates or trusts shall claim their share
27 of the credit on their fiduciary income tax returns.

28 (b) Application of the credit for corporation franchise tax. The credit shall
29 be claimed on the corporation franchise tax return required under R.S. 47:609.

1 (c) Application of the credit for severance tax. The credit shall be claimed
 2 on the severance tax return required under R.S. 47:635.

3 (4) Transferability of the credit. Any motion picture tax credits not
 4 previously claimed by any taxpayer against its income ~~tax~~ corporate franchise or
 5 severance tax may be transferred or sold to another Louisiana taxpayer or to the
 6 office, subject to the following conditions:

7 * * *

8 E. Recapture of credits. If the office finds that monies for which an investor
 9 received tax credits according to this Section are not invested in and expended with
 10 respect to a state-certified production within twenty-four months of the date that such
 11 credits are earned, then the investor's state income ~~tax~~ corporate franchise or
 12 severance tax for such taxable period shall be increased by such amount necessary
 13 for the recapture of credit provided by this Section.

14 * * *

15 Section 2. The provisions of this Act shall be applicable to tax years beginning on
 16 or after January 1, 2014.

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)]

Leger HB No. 693

Abstract: Authorizes the use of motion picture investor tax credits against corporation franchise and severance taxes.

Present law authorizes an income tax credit based on motion picture production company expenditures for state-certified productions and state-certified infrastructure projects. The amount of the tax credit is equal to 30% of the total base investment dollars certified per project.

Present law authorizes an additional income tax credit equal to 10% of the payroll for La. residents employed in connection with a state-certified production; however, this additional credit shall exclude any salary for a person that exceeds \$1 million.

Proposed law retains present law and authorizes use of the aforementioned tax credits against corporation franchise and severance taxes.

Present law provided for the application, transferability, certification, and administration of the credit.

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

Proposed law retains present law.

Applicable to tax years beginning on or after Jan. 1, 2014.

(Amends R.S. 47:6007(C)(1)(intro. para.), (2), (3), (4)(intro. para), and (E))