

SENATE COMMITTEE AMENDMENTS

Amendments proposed by Senate Committee on Revenue and Fiscal Affairs to Original Senate Bill No. 165 by Senator Martiny

1 AMENDMENT NO. 1

2 On page 1, line 2, between "(B)" and "(10)" insert "(9),"

3 AMENDMENT NO. 2

4 On page 1, at the end of line 4, after "to provide for" insert "definitions; to provide for  
5 production audit reports and requirements; to provide for"

6 AMENDMENT NO. 3

7 On page 1, line 5, change "qualified cost report" to "production audit report"

8 AMENDMENT NO. 4

9 On page 1, line 6, change "qualified cost report" to "production audit report"

10 AMENDMENT NO. 5

11 On page 1, line 9, between "(B)" and "(10)" insert "(9),"

12 AMENDMENT NO. 6

13 On page 1, between lines 14 and 15, insert the following:

14 **"(9) "Production audit report" means an audit report issued by a**  
15 **qualified accountant who is unrelated to the motion picture production**  
16 **company and that is a report of the qualified accountant's audit of the motion**  
17 **picture production's cost report of production expenditures. The production**  
18 **audit report shall contain an opinion from the qualified accountant stating that**  
19 **the production's cost report of production expenditures presents fairly, in all**  
20 **material aspects, the production expenditures expended in Louisiana pursuant**  
21 **to the provisions of this Subsection. The production audit shall be performed**  
22 **pursuant to the qualified sampling and verification procedures provided in R.S.**  
23 **47:6007.1 and shall require:**

24 **(a) The production audit report to be performed in accordance with the**  
25 **auditing standards generally accepted in the United States of America.**

26 **(b) The production audit report to be addressed to the party which has**  
27 **engaged the qualified accountant.**

28 **(c) The production audit report to contain the qualified accountant's**  
29 **name, address, and telephone number.**

30 **(d) The production audit report to be dated as of the date of completion**  
31 **of the qualified accountant's field work.**

32 **(e) The production audit report to contain a statement of**  
33 **acknowledgment by the qualified accountant that the state is relying on the**  
34 **qualified cost report in the issuance of the tax credits under the provisions of**  
35 **this Section.**

36 ~~(9)~~ **(10) "Production expenditures" means preproduction, production, and**  
37 **postproduction expenditures in this state directly relating to a state-certified**  
38 **production, including without limitation the following: set construction and**  
39 **operation; wardrobes, makeup, accessories, and related services; costs associated**  
40 **with photography and sound synchronization, lighting, and related services and**  
41 **materials; editing and related services; rental of facilities and equipment; leasing of**

1 vehicles; costs of food and lodging; digital or tape editing, film processing, transfer  
2 of film to tape or digital format, sound mixing, special and visual effects; and  
3 payroll. This term shall not include expenditures for marketing and distribution, non-  
4 production related overhead, amounts reimbursed by the state or any other  
5 governmental entity, costs related to the transfer of tax credits, amounts that are paid  
6 to persons or entities as a result of their participation in profits from the exploitation  
7 of the production, the application fee, or state or local taxes."

8 AMENDMENT NO. 7

9 On page 1, at the beginning of line 15, change "(10)" to "(11)"

10 AMENDMENT NO. 8

11 On page 1, line 16 change "licensed" to "authorized to practice"

12 AMENDMENT NO. 9

13 On page 2, delete lines 1 through 13 in their entirety

14 AMENDMENT NO. 10

15 On page 3, line 4, after "includes" and before "the" delete "a qualified cost report and"

16 AMENDMENT NO. 11

17 On page 3, line 16, change "qualified cost" to "production audit"

18 AMENDMENT NO. 12

19 On page 3, line 17, change "qualified cost" to "production audit"

20 AMENDMENT NO. 13

21 On page 3, line 19, change "qualified cost" to "production audit"

22 AMENDMENT NO. 14

23 On page 3, page 27, change "qualified cost" to "production audit"

24 AMENDMENT NO. 15

25 On page 4, at the end of line 1, change "qualified cost" to "production audit"

26 AMENDMENT NO. 16

27 On page 4, line 3, change "qualified cost" to "production audit"

28 AMENDMENT NO. 17

29 On page 4, delete lines 20 through 27 in their entirety and insert the following:

30 **"G. Notwithstanding any other law to the contrary, no motion picture**  
31 **investor tax credit shall be allowed for financing fees, interest, or payments of**  
32 **a similar nature that are paid to related parties. Motion picture investor tax**  
33 **credits shall only be allowed for financing fees, interest or payments of a similar**  
34 **nature that are made to a party who does not control the production and who**  
35 **owns twenty percent or less of the financial rewards of the production based on**  
36 **sales, exploitation of the product, or the success in lining up distribution**  
37 **agreements. No motion picture investor tax credits shall be allowed for any**  
38 **amounts that are paid to persons or entities as a result of a percentage of sales**

1 **or participation in profits from the exploitation of the product or the success in**  
2 **lining up distribution agreements.**"

3 AMENDMENT NO. 18

4 On page 5, line 2, change "**qualified cost**" to "**production audit**"

5 AMENDMENT NO. 19

6 On page 5, line 26, change "**qualified cost**" to "**production audit**"

7 AMENDMENT NO. 20

8 On page 6, line 11, change "**sixty**" to "**one-hundred twenty**"

9 AMENDMENT NO. 21

10 On page 7, line 16, change "**sixty**" to "**one-hundred twenty**"

11 AMENDMENT NO. 22

12 On page 8, line 14, change "**sixty**" to "**one-hundred twenty**"

13 AMENDMENT NO. 23

14 On page 9, line 1, change "**qualified cost**" to "**production audit**"