

2015 Regular Session

HOUSE BILL NO. 548

BY REPRESENTATIVE RITCHIE

TAX/INCOME-CREDIT: Establishes an annual cap on the motion picture investor income tax credit and reduces the amount of the tax credit

1 AN ACT

2 To amend and reenact R.S. 47:6007(C)(1)(c)(introductory paragraph) and (d) and to enact  
3 6007(C)(1)(c)(iii), (e), (f), and (g), relative to income tax credits; to provide for the  
4 motion picture investor tax credit; to provide for a reduction of the movie picture  
5 investor tax credit for a certain period; to provide for an annual program cap; and to  
6 provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:6007(C)(1)(c)(introductory paragraph) and (d) are hereby  
9 amended and reenacted and R.S. 47:6007(C)(1)(c)(iii), (e), (f), and (g) are hereby enacted  
10 to read as follows:

11 §6007. Motion picture investor tax credit

12 \* \* \*

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

14 (1)

15 \* \* \*

16 (c) For state-certified productions approved by the office and the secretary  
17 on or after July 1, 2009, but before July 1, 2015:

18 \* \* \*

19 (iii) The initial certification shall be effective for a period of twelve months  
20 prior to and twelve months after the date of initial certification, unless the production

1 has commenced, in which case the initial certification shall be valid until the  
2 production is completed.

3 (d) For state-certified productions approved by the office and the secretary  
4 on or after July 1, 2015, but before July 1, 2017:

5 (i) If the total base investment is greater than three hundred thousand dollars,  
6 each investor shall be allowed a tax credit of twenty three percent of the base  
7 investment made by that investor.

8 (ii) To the extent that base investment is expended on payroll for Louisiana  
9 residents employed in connection with a state-certified production, each investor  
10 shall be allowed an additional tax credit of five percent of such payroll. However,  
11 if the payroll to any one person exceeds one million dollars, this additional credit  
12 shall exclude any salary for that person that exceeds one million dollars.

13 (iii) The initial certification shall be effective for a period of twelve months  
14 prior to and twelve months after the date of initial certification, unless the production  
15 has commenced, in which case the initial certification shall be valid until the  
16 production is completed.

17 (e) For state-certified productions approved by the office and the secretary  
18 on or after July 1, 2017:

19 (i) If the total base investment is greater than three hundred thousand dollars,  
20 each investor shall be allowed a tax credit of thirty percent of the base investment  
21 made by that investor.

22 (ii) To the extent that base investment is expended on payroll for Louisiana  
23 residents employed in connection with a state-certified production, each investor  
24 shall be allowed an additional tax credit of five percent of such payroll. However,  
25 if the payroll to any one person exceeds one million dollars, this additional credit  
26 shall exclude any salary for that person that exceeds one million dollars.

27 (iii) The initial certification shall be effective for a period of twelve months  
28 prior to and twelve months after the date of initial certification, unless the production

1 has commenced, in which case the initial certification shall be valid until the  
2 production is completed.

3 (d) (f) Motion picture investor tax credits associated with a state-certified  
4 production shall never exceed the total base investment in that production.

5 (g) Beginning January 1, 2016, the aggregate amount of credits certified for  
6 all investors pursuant to this Section during any calendar year shall not exceed two  
7 hundred fifty million dollars. An application for initial certification of a project shall  
8 be submitted to the office prior to the granting of the credit, and the granting of  
9 credits under this Section shall be on a first-come, first-served basis. If the total  
10 amount of credits applied for in any particular year exceeds the aggregate amount of  
11 tax credits allowed for that year, the excess will be treated as having been applied for  
12 on the first day of the subsequent year. The secretary shall provide for the  
13 administration of the annual aggregate maximum amount of credits certified by the  
14 office through rules and regulations promulgated in accordance with the  
15 Administrative Procedure Act, subject to oversight by the House Committee on Ways  
16 and Means and the Senate Committee on Revenue and Fiscal Affairs.

17 \* \* \*

18 Section 2. This Act shall become effective on July 1, 2015; if vetoed by the governor  
19 and subsequently approved by the Legislature, this Act shall become effective on July 1,  
20 2015, or on the day following such approval by the legislature, whichever is later.

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#### 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)]

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HB 548 Original

2015 Regular Session

Ritchie

**Abstract:** Between July 1, 2015 and June 30, 2017, reduces the amount of the motion picture investor tax credit to 23% for qualified productions and beginning Jan. 1, 2016, establishes an annual \$250 million program cap for the certification of motion picture investor tax credits.

Present law provides for an income tax credit for La. taxpayers for investment in state-certified productions earned at the time expenditures are made by a motion picture production company in a state-certified production. The amount of the credit shall be equal to 30% of the base investment made by the investor if the total base investment is more than

\$300,000. Additionally provides for a credit equal to 5% of base investment expended on payroll for La. residents employed in connection with a state-certified production. However, this credit does not apply to the payroll of any one person that exceeds \$1 million.

Proposed law retains present law but reduces the amount of the credit from 30% to 23% for credits issued between July 1, 2015 and June 30, 2017. Additionally, beginning Jan. 1, 2016, provides for an annual cap of \$250 million on the program.

Effective beginning July 1, 2015.

(Amends R.S. 47:6007(C)(1)(c)(intro. para.) and (d); Adds 6007(C)(1)(c)(iii), (e), (f), and (g))