

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 678** HLS 15RS 623

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 18, 2015 9:22 AM	Author: STOKES
Dept./Agy.: Department of Economic Development	Analyst: Charley Rome
Subject: Reduces Tax Credits for not including Louisiana Logo	

TAX CREDITS OR NO IMPACT See Note Page 1 of 1
Requirements for inclusion of a Louisiana promotional graphic or activity for productions eligible for certain entertainment industry tax credits

Proposed law requires that a motion picture production use a La. promotional graphic (logo) or employ approved alternative marketing opportunities in order to receive the 30% tax credit authorized under current law. Specifically, if a state-certified production does not include a La. logo or an alternative marketing opportunity which has been approved by Dept. of Economic Development (LED), the tax credit shall be reduced from 30% to 25% of the base investment. The bill requires a digital interactive media and software production to use a La. logo or employ approved alternative marketing opportunity in order to receive the 25% tax credit. Specifically, if a state-certified production does not include a La. logo or an alternative marketing opportunity, the tax credit shall be reduced from 25% to 20% of the base investment. Proposed law requires annual reporting by LED regarding the specific use and comparative value of the alternative marketing opportunities approved for productions in the most recently ended calendar year. The report is to be provided on or before February 1st to each member of the House Committee on Ways and Means and the Senate Committee on Revenue and Fiscal Affairs.

EXPENDITURES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. State law already requires motion picture, digital interactive media, and software productions to use a Louisiana promotional graphic (logo) to receive tax credits authorized under current law. Furthermore, according to LED, nearly all entertainment productions in the state already use the logo required in current law.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure. State law already requires motion picture, digital interactive media, and software productions to use a Louisiana promotional graphic (logo) to receive tax credits authorized under current law. Furthermore, according to LED, nearly all productions in the state already use the logo required in current law. As such, there should be no material impact on state general fund revenues because entertainment productions already use the logos required by current law and will not be subject to the 5% reduction in tax credits proposed in the bill.

- | | | | |
|---|----------------------------|--------------|--|
| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 Rev. Red. to State {H & S} |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | | | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |

Evan Brasseaux
Evan Brasseaux
Staff Director