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## DIGEST

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HB 678 Engrossed

2015 Regular Session

Stokes

**Abstract:** Establishes requirements for inclusion of La. promotional content or activity for productions eligible for the motion picture investor tax credit and the digital interactive media and software tax credit.

### **Motion Picture Investor Tax Credit**

Present law establishes a tax credit for investors in state-certified motion picture productions filmed in La. The credit is equal to 30% of the "base amount" of "production related expenditures", as such terms are defined by present law.

Proposed law retains present law and requires that a production use a La. promotional graphic or employ approved alternative marketing opportunities in order to receive the 30% tax credit. Specifically, if a state-certified production does not include a La. promotional graphic or an alternative marketing opportunity which has been approved by the office of entertainment industry development, Dept. of Economic Development (office) for that specific production, the tax credit shall be reduced from 30% to 25% of the base investment.

Proposed law adds the following definitions for the required promotional content and activity:

- (1) "Alternative marketing opportunity" means an alternative marketing mechanism which has been approved by the Dept. of Economic Development (DED) as an alternative to a La. promotional graphic for purposes of a production.
- (2) "Louisiana promotional graphic" means a graphical brand or logo for promotion of the state, which has been approved by DED for a production consisting of either of the following:
  - (a) A graphic that promotes La. in the end credits before the below-the-line crew crawl for the life of the production and which includes a link to La. on the production's website and online promotions.
  - (b) An embedded graphic that promotes La. during each broadcast worldwide for the life of the production and which includes a link to La. on the production's website and online promotions.

Proposed law requires annual reporting by the DED regarding the specific use and comparative value of the alternative marketing opportunities it has approved for productions in the most recently ended

calendar year. The report is to be provided on or before Feb. 1<sup>st</sup> to each member of the House Committee on Ways and Means and the Senate Committee on Revenue and Fiscal Affairs.

### **Digital Interactive Media and Software Tax Credit**

Present law establishes a tax credit for investors in state-certified digital interactive media and software productions created in La. The credit is equal to 25% of the "base amount" of "production expenses", as such terms are defined by present law.

Proposed law retains present law and requires that a production use a La. promotional graphic 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. promotional graphic or an alternative marketing opportunity, the tax credit shall be reduced from 25% to 20% of the base investment.

Proposed law adds the following definitions for the required promotional content and activity:

- (1) "Alternative marketing opportunity" means an alternative marketing mechanism which has been approved by DED as an alternative to a La. promotional graphic for purposes of a production.
- (2) "Louisiana promotional graphic" means a graphical brand or logo for promotion of the state, which has been approved by DED for purposes of a production, consisting of either of an embedded graphic that promotes La. for the life of the production and which includes a link to La. on the production's website and online promotions.

Proposed law requires annual reporting by the DED regarding the specific use and comparative value of the alternative marketing opportunities it has approved for productions in the most recently ended calendar year. The report is to be provided by on or before Feb. 1<sup>st</sup> to each member of the House Committee on Ways and Means and the Senate Committee on Revenue and Fiscal Affairs.

Effective Aug. 1, 2015, and applicable for productions receiving initial certification on or after that date.

(Amends R.S. 47:6007(B)(1) through (8), (9)(intro.para.), (10) through (16), (C)(1)(c)(i), and (D)(6), 6022(C)(1) through (3), (4)(intro.para.), (5)(a)(intro.para.), (6) through (9), 10(a), (11) through (14), and (D)(2)(a); Adds R.S. 47:6007(B)(17) and (18), 6022(B)(15) and (16), and (L); Repeals R.S. 47:6007(D)(8))