2015 Regular Session

HOUSE BILL NO. 798

BY REPRESENTATIVE PONTI

TAX CREDITS: Relative to the motion picture investor 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	R.S. 47:6007(C)(1)(e), relative to tax credits; to provide for the motion picture		
4	investor tax credit; to provide for eligibility; to provide for an effective date; and to		
5	provide for related matters.		
6	Be it enacted by the Legislature of Louisiana:		
7	Section 1. R.S. 47:6007(C)(1)(c)(introductory paragraph) and (d) are hereby		
8	amended and reenacted and R.S. 47:6007(C)(1)(e) is hereby enacted to read as follows:		
9	§6007. Motion picture investor tax credit		
10	* * *		
11	C. Investor tax credit; specific productions and projects.		
12	(1)		
13	* * *		
14	(c) For state-certified productions approved by the office and the secretary		
15	on or after July 1, 2009, and prior to July 1, 2015:		
16	* * *		
17	(d) For state-certified productions approved by the office and the secretary		
18	on or after July 1, 2015:		
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.		

CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

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1	(ii) For a state-certified production that bases its main production office
2	beyond a forty mile radius of the New Orleans City Hall and films more than fifty
3	percent of its production days in Louisiana beyond a forty mile radius of the New
4	Orleans City Hall, each investor shall be allowed an additional tax credit of five
5	percent of the base investment expended on qualified production expenditures,
6	excluding non-resident payroll.
7	(d) (e) Motion picture investor tax credits associated with a state-certified
8	production shall never exceed the total base investment in that production.
9	* * *
10	Section 2. This Act shall become effective on July 1, 2015; if vetoed by the governor
11	and subsequently approved by the legislature, this Act shall become effective on July 1,
12	2015, or on the day following such approval by the legislature, whichever is later.

## 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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Abstract: Beginning July 1, 2015, eliminates the additional 5% tax credit of certain La. payroll but authorizes an additional 5% credit for all qualified expenditures, excluding non-resident payroll when the production is based and 50% of film production days occur beyond a 40 mile radius of New Orleans City Hall.

<u>Present law</u> provides for an income tax credit for La. taxpayers for investment in statecertified 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.

<u>Proposed law</u> retains <u>present law</u> relative to the 30% credit of the base investment when the total is greater than \$300,000, but <u>proposed law</u>, beginning July 1, 2015, eliminates the additional 5% credit of the base investment expended on payroll for La. residents employed in connection with a state-certified production. <u>Proposed law</u> authorizes, an additional credit equal to 5% of base investment expended on all qualified production expenditures, excluding non-resident payroll, for state-certified productions that base its main production office beyond a 40 mile radius of New Orleans City Hall and films more than 50% of its production days beyond a 40 mile radius of New Orleans City Hall.

Effective July 1, 2015.

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

## Summary of Amendments Adopted by House

- The Committee Amendments Proposed by <u>House Committee on Ways and Means</u> to the <u>original</u> bill:
- 1. Delete the provisions of <u>proposed law</u> prohibiting the additional 5% credit of the base investment expended on payroll for La. residents employed in connection with a state-certified production if the production bases its office within 40 miles of New Orleans City Hall.
- 2. Add provisions that authorize, beginning July 1, 2015, an additional credit equal to 5% of base investment expended on all qualified production expenditures, excluding non-resident payroll, for state-certified productions that base its main production office beyond a 40 mile radius of New Orleans City Hall and films more than 50% of its production days beyond a 40 mile radius of New Orleans City Hall.
- 3. Eliminate, beginning July 1, 2015, the additional 5% credit of the base investment expended on payroll for La. residents employed in connection with a state-certified production.