

2015 Regular Session

HOUSE BILL NO. 678

BY REPRESENTATIVE STOKES

TAX CREDITS: Requirements for inclusion of a Louisiana promotional graphic or activity for productions eligible for certain entertainment industry tax credits

1 AN ACT

2 To amend and reenact R.S. 47:6007(C)(1)(c)(i) and (D)(6) and to enact R.S. 47:6007(B)(17)
3 and (18) and to repeal R.S. 47:6007(D)(8), relative to tax credits; to establish
4 requirements for inclusion of certain Louisiana promotional content or activity
5 related to productions eligible for certain entertainment industry tax credits; to
6 provide with respect to the motion picture investor tax credit; to provide with respect
7 to the digital interactive media and software tax credit; to provide for applicability;
8 to provide for effectiveness; and to provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 47:6007(C)(1)(c)(i) and (D)(6) are hereby amended and reenacted
11 and R.S. 47:6007(B)(17) and (18) are hereby enacted to read as follows:

12 §6007. Motion picture investor tax credit

13 * * *

14 B. Definitions. For the purposes of this Section:

15 * * *

16 ~~(17)~~ (17) "Alternative marketing opportunity" means an alternative marketing
17 mechanism which has been approved by the office for a production as an alternative
18 to a Louisiana promotional graphic.

19 * * *

20 (18) "Louisiana promotional graphic" means a graphical brand or logo for
21 promotion of the state which has been approved by the office for a production,
22 consisting of either of the following:

1 D. Certification and administration.

2 * * *

3 (6) Reports.

4 (a) With input from the Legislative Fiscal Office, the office shall prepare a
5 written report to be submitted to the Senate Committee on Revenue and Fiscal
6 Affairs and the House of Representatives Committee on Ways and Means no less
7 than sixty days prior to the start of the Regular Session of the Legislature in 2007,
8 and every second year thereafter. The report shall include the overall impact of the
9 tax credits, the amount of the tax credits issued, the number of net new jobs created,
10 the amount of Louisiana payroll created, the economic impact of the tax credits and
11 film industry, and any other factors that describe the impact of the program.

12 (b) The department shall include in its annual report detailing the alternative
13 marketing opportunities it has approved in the most recently ended calendar year for
14 tax credits earned for productions which employed an alternative marketing
15 opportunity in lieu of a Louisiana promotional graphic, as provided in Item (i) of
16 Subparagraph (c) of Paragraph (1) of Subsection C of this Section. The report shall
17 be provided annually on or before the first day of February to each member of the
18 House Committee on Ways and Means and the Senate Committee on Revenue and
19 Fiscal Affairs. The report shall include, but not be limited to, the following:

20 (i) The goals and strategy behind each alternative marketing opportunity
21 approved for state-certified productions.

22 (ii) The names of all motion picture production companies approved by the
23 office to provide alternative marketing opportunities.

24 (iii) The estimated value to the state of each approved alternative marketing
25 opportunity compared to the estimated value of a Louisiana promotional graphic.

26 (iv) The names of all motion picture production companies who chose to
27 include a Louisiana promotional graphic instead of offering the state an alternative
28 marketing opportunity.

29 * * *

1 Section 2. R.S. 47:6007(D)(8) is hereby repealed in its entirety.

2 Section 3. The provisions of this Act shall be applicable to productions receiving
3 initial certification on or after August 1, 2015.

4 Section 4. The Louisiana State Law Institute is hereby directed to renumber the
5 paragraphs within R.S. 47:6007(B).

6 Section 5. This Act shall become effective on July 1, 2015; if vetoed by the governor
7 and subsequently approved by the legislature, this Act shall become effective on July 1,
8 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)]

HB 678 Reengrossed

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.

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 DED to include in its annual report information 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. 1st to each member of the House Committee on Ways and Means and the Senate Committee on Revenue and Fiscal Affairs.

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

(Amends R.S. 47:6007(C)(1)(c)(i) and (D)(6); Adds R.S. 47:6007(B)(17) and (18); Repeals R.S. 47:6007(D)(8))

Summary of Amendments Adopted by House

The House Floor Amendments to the engrossed bill:

1. Remove provisions governing the digital media and software development tax credit.
2. Add a July 1, 2015 effective date.
3. Technical amendments.