

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 101** SLS 15RS 59

Bill Text Version: **ENROLLED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: June 10, 2015 7:17 PM	Author: MORRELL
Dept./Agy.: Economic Development/Workforce Commission	Analyst: Deborah Vivien
Subject: Data verification of film production employment reports	

TAX/TAXATION

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Requires the Louisiana Workforce Commission to provide information to LED and LDR to verify payroll and employment of Louisiana residents for purposes of the motion picture investor tax credit. (7/1/15)

Current law provides a transferable income tax credit for 30% of qualified expenditures related to motion picture production with an additional 5% for payroll of Louisiana residents.

Proposed law authorizes the Office of Entertainment Industry Development to verify payroll information on Louisiana residents submitted as eligible expenses for a film credit by comparing it to data provided upon request by the Louisiana Workforce Commission or the Department of Revenue.

Effective July 1, 2015

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

According to the Louisiana Workforce Commission (LWC), the LWC and the Department of Revenue (LDR) already have a Memorandum of Understanding to share salary and wage information. If data validation required by this bill is based on information currently collected in the normal course and scope of operating existing data sharing programs, this bill will have little effect on LWC or LDR costs.

REVENUE EXPLANATION

The bill authorizes verification with known employment data as provided by the Louisiana Workforce Commission or Department of Revenue to determine the accuracy of Louisiana payroll expenses submitted for a film credit. To the extent that fraudulent expenses are detected and rejected, net state tax receipts will increase. This fiscal note does not assume a level of fraudulent activity within the film program.

<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}	 Gregory V. Albrecht Chief Economist
<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}		