

SENATE BILL NO. 103

BY SENATOR MORRELL AND REPRESENTATIVE TALBOT

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AN ACT

To amend and reenact R.S. 47:6007(B)(10), relative to motion picture investor tax credits; to prohibit the eligibility of certain expenditures for the credit; to provide for effectiveness; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 47:6007(B)(10) is hereby amended and reenacted to read as follows:
§6007. Motion picture investor tax credit

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B. Definitions. For the purposes of this Section:

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(10) "Production expenditures" means preproduction, production, and postproduction expenditures in this state directly relating to a state-certified production, including without limitation the following: set construction and operation; wardrobes, makeup, accessories, and related services; costs associated with photography and sound synchronization, lighting, and related services and materials; editing and related services; rental of facilities and equipment; leasing of vehicles; costs of food and lodging; digital or tape editing, film processing, transfer of film to tape or digital format, sound mixing, special and visual effects; and payroll. This term shall not include ~~expenditures~~ **the following**:

(a) Expenditures for marketing and distribution, non-production related overhead, amounts reimbursed by the state or any other governmental entity, costs related to the transfer of tax credits, amounts that are paid to persons or entities as a result of their participation in profits from the exploitation of the production, the application fee, or state or local taxes.

(b) Expenditures for airfare.

(c) Expenditures for (i) bond fees, (ii) insurance premiums, (iii) finance

1 fees, (iv) loan interest fees, or (v) payments of a similar nature, paid to investors
2 in the production unless such expenditures are made to a Louisiana resident
3 licensed insurance producer that has its principal place of business in this state
4 as required by R.S. 22:1543, a Louisiana financial institution as defined in R.S.
5 6:2(8), or a Louisiana Business and Industrial Development Company as
6 defined in and provided for in Chapter 39-B of Title 51 of the Louisiana Revised
7 Statutes of 1950, R.S. 51:2386 et seq., which is regulated by the office of
8 financial institutions and which have one or more offices in the state. In which
9 case, the expenditures may be allocated only on a pro rata basis, allocating the
10 fees based on the relative percentage of production activity occurring in and out
11 of state.

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13 Section 2. The provisions of this Act shall apply to productions with applications
14 received by the office of entertainment industry development of the Department of
15 Economic Development on and after July 1, 2016.

16 Section 3. This Act shall become effective on January 1, 2016, if the commissioner
17 of administration and the Legislative Auditor provide written notice to the President of the
18 Senate, the Speaker of the House of Representatives, and the Louisiana State Law Institute
19 that they have determined that an Act or Acts were enacted in the 2015 Regular Session of
20 the Legislature sufficient to offset any tax increases provided for in the Acts of such Session
21 over a five-year period.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____