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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Leonore Heavey.

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DIGEST

SB 11 Original

2016 First Extraordinary Session

Donahue

Present law provides for the musical and theatrical production income tax credit for expenditures on productions or infrastructure projects. Provides relative to the purpose of, definitions applicable to, applications for, and administration of the program.

Proposed law retains present law.

Present law limits the amount of the credits that may be granted in a year to \$43.2 million.

Proposed law establishes a cap of four million dollars on the total amount of credits allowed in a fiscal year beginning with FY 2016-17. The cap is the baseline average of the aggregate amount of claims filed for the credits provided for in present law during the five fiscal years from FY 2008-9 to FY 2013-14.

Proposed law provides that claims for the credit shall be allowed on a first-come, first-served basis. Provides that any taxpayer whose claim for the credit is disallowed may use the credit against income tax liability due in a return filed in the next fiscal year and his claim shall have priority over other claims filed after the date and time of his original claim.

Proposed law terminates the program on June 30, 2021.

Present law requires that commencing no later than January 31, 2016 the House Committee on Ways and Means and the Senate Committee on Revenue and Fiscal Affairs review the credits to determine if the economic benefit outweighs the loss of revenue realized by the state as a result of awarding the credit. Requires committees to make specific recommendations, no later than March 1, 2017, for continuation or termination of the credit.

Proposed law retains these provisions but requires that the committee review commence no later than June 30, 2016.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 47:6034(C)(intro para), (1)(intro para) and(a)(ii)(aa) and (bb) and (4), (D)(1), and (E)(intro para) and K; adds R.S. 47:6034(L); repeals R.S. 47:6034(C)(1)(a)(ii)(bb) as amended by Acts 2015, No. 125, §5)