

1 HB243
2 140735-3
3 By Representatives Collins, Harper, Hubbard (J), Brown, Henry,
4 Long, Wallace, Patterson, Lee and Chesteen
5 RFD: Economic Development and Tourism
6 First Read: 09-FEB-12

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ENROLLED, An Act,

Relating to the entertainment Industry Incentives Act of 2009; to amend Sections 41-7A-43 and 41-7A-45, as amended by Act 2011-695 of the 2011 Regular Session, and Section 41-7A-48 of the Code of Alabama 1975, to increase the maximum expended amounts beyond which rebates would not be allowed and increase the annual cap for incentives allowed during any fiscal year.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Sections 41-7A-43, as amended by Act 2011-695 of the 2011 Regular Session, and 41-7A-48 of the Code of Alabama 1975, are amended to read as follows:

"§41-7A-43.

"(a) Beginning January 1, 2009, a qualified production company shall be entitled to a rebate for production expenditures, as defined in subdivision (7) of Section ~~41-7A-41~~ 41-7A-42, related to a state-certified production. The rebate shall be equal to 25 percent of the state-certified production's production expenditures excluding payroll paid to residents of Alabama plus 35 percent of all payroll paid to residents of Alabama for the state-certified production, provided the total production expenditures for a project must equal or exceed at least five hundred thousand dollars (\$500,000), but no rebate shall be available for

1 production expenditures incurred after the first ~~ten~~ twenty
2 million dollars ~~(\$10,000,000)~~ (\$20,000,000) of production
3 expenditures expended in Alabama on a state-certified
4 production.

5 "(b) A single episode in a television series or
6 miniseries may be considered a single production project for
7 purposes of this section. However, in determining the total
8 production expenditures incurred by a qualified production
9 company on a qualified production, the total production
10 expenditures of a television series or miniseries, whether a
11 single season or multiple seasons thereof, to be filmed within
12 a period of 12 consecutive months, each individual episode of
13 which separately and independently meets the definition of a
14 qualified production, may be aggregated to meet the monetary
15 requirements set forth in subsection (a) as long as each
16 individual episode within the series pertains to the same
17 subject as the other episodes in the series.

18 "(c) A single commercial may be considered a single
19 production project for purposes of this section. However, in
20 determining the total production expenditures incurred by a
21 qualified production company on a qualified production, the
22 total production expenditures of a series of commercials to be
23 filmed within a period of 12 consecutive months, each of which
24 separately and independently meets the definition of a
25 qualified production, may be aggregated to meet the monetary

1 requirements set forth in subsection (a) as long as each
2 individual commercial within the series pertains to the same
3 subject as the other commercials in the series and was planned
4 as part of a series of commercials to be filmed within a
5 period of 12 consecutive months at the time the qualified
6 production company applied for the incentives.

7 "(d) A qualified production company shall be
8 entitled to the rebate for production expenditures as provided
9 in subsection (a) for a qualified project that is limited only
10 to the production of a soundtrack used in a motion picture or
11 documentary, provided that the production expenditures for the
12 soundtrack project must equal or exceed at least fifty
13 thousand dollars (\$50,000), but no rebate shall be available
14 for production expenditures incurred after the first three
15 hundred thousand dollars (\$300,000) of production expenditures
16 expended in Alabama.

17 "(e) A qualified production company shall be
18 entitled to the rebate for production expenditures as provided
19 in subsection (a) for a qualified project that is limited only
20 to the production of a music video, provided that the
21 production expenditures for the music video equal or exceed
22 fifty thousand dollars (\$50,000), but no rebate shall be
23 available for production expenditures incurred after the first
24 two hundred thousand dollars (\$200,000) of production
25 expenditures expended in Alabama.

1 "(f) The rebate described in this section may be
2 applied to offset any income tax liability applicable to a
3 qualified production company for the tax year in which
4 production activity in Alabama on the state-certified
5 production concludes.

6 "(g) The Commissioner of the Department of Revenue
7 and the office shall promulgate rules necessary to administer
8 this section.

9 "§41-7A-45.

10 "A qualified production company that intends to
11 expend in the aggregate one hundred fifty thousand dollars
12 (\$150,000) or more in connection with a qualified production
13 in the State of Alabama within a consecutive 12-month period,
14 upon making application for, meeting the requirements of, and
15 receiving written certification of that designation from the
16 office, shall be exempted from the payment of the state
17 portion, but not the local portion of sales, use, and lodging
18 taxes levied pursuant to Sections 40-23-2, 40-23-61, and
19 40-26-1, respectively, on production expenditures expended in
20 Alabama in connection with the state-certified productions.
21 The exemption provided by this section shall not be available
22 for production expenditures incurred by a qualified production
23 company after the first ~~ten~~ twenty million dollars
24 ~~(\$10,000,000)~~ (\$20,000,000) of production expenditures
25 expended in Alabama on a state-certified project.

1 "§41-7A-48.

2 "For the fiscal years year ending September 30,
3 2009, the aggregate cap of incentives granted under this
4 article shall not exceed five million dollars (\$5,000,000) for
5 all qualified production companies. For the fiscal years year
6 ending September 30, 2010, the aggregate cap of incentives
7 granted under this article shall not exceed seven million five
8 hundred thousand dollars (\$7,500,000) for all qualified
9 production companies. For fiscal years ending September 30,
10 2011, and September 30, 2012, ~~and for all subsequent fiscal~~
11 ~~years thereafter,~~ the aggregate cap of incentives granted
12 under this article shall not exceed ten million dollars
13 (\$10,000,000) for all qualified production companies. For the
14 fiscal year ending September 30, 2013, the aggregate cap of
15 incentives granted under this article shall not exceed fifteen
16 million dollars (\$15,000,000). For the fiscal year ending
17 September 30, 2014, the aggregate cap of incentives granted
18 under this article shall not exceed fifteen million dollars
19 (\$15,000,000) and for all subsequent fiscal years thereafter,
20 the aggregate cap of incentives granted under this article
21 shall not exceed twenty million dollars (\$20,000,000) for all
22 qualified production companies."

23 Section 2. This act shall become effective
24 immediately following its passage and approval by the
25 Governor, or its otherwise becoming law.

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Speaker of the House of Representatives

President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in
and was passed by the House 28-FEB-12, as amended.

Greg Pappas
Clerk

Senate	<hr/> 10-APR-12 <hr/>	Amended and Passed
House	<hr/> 10-APR-12 <hr/>	Passed, as amended by Conference Com- mittee Report
Senate	<hr/> 12-APR-12 <hr/>	Passed, as amended by Conference Com- mittee Report