

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 173** SLS 21RS 415

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 10, 2021 12:27 PM	Author: HEWITT
Dept./Agy.: Economic Development	Analyst: Greg Albrecht
Subject: Motion Picture Production Tax Credit Program	

TAX/TAXATION

OR SEE FISC NOTE GF RV

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Provides relative to the administration of the Motion Picture Production Tax Credit. (gov sig)

Proposed law makes a number of modifications to the program. (1) St. Tammany Parish is added as an out-of-zone filming location that provides an additional 5% credit (to the 25% base investment credit). (2) Specifies that the Louisiana Entertainment Development Fund can be used for motion picture and television workforce development programs. (3) Allows LED discretion in providing for preliminary allocations of annually available tax credit amounts on a first-come, first-served basis. (4) Eliminates specified allocations of credit to qualified entertainment companies, Louisiana screenplay productions, and independent film productions. (5) Increases the maximum amount of credit that may be granted to a single production to \$28 million (from \$20M or \$25M for scripted episodic productions). (6) Extends the program for six years to July 1, 2031, from July 1, 2025.

Effective upon governor's signature.

EXPENDITURES	2021-22	2022-23	2023-24	2024-25	2025-26	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	2021-22	2022-23	2023-24	2024-25	2025-26	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

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

The current program operates under a credit issuance of cap of \$150 million per year, and a credit claim cap of \$180 million per year. While the bill provides for reallocation of the available credit issuance amount, it does not change those program caps and, thus, does not change the annual fiscal cost of the program.

The bill does extend the availability of the credits to applications received up to July 1, 2031, an six additional years beyond the current law termination of the program on July 1, 2025. Program credit costs have fully realized maximum annual amounts each year since instituted beginning with FY16. Given historical participation levels, the bill continues those annual costs for an additional six years beyond what would occur under current law.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Christopher A. Keaton
Legislative Fiscal Officer