HLS 15RS-1113 ORIGINAL

2015 Regular Session

HOUSE BILL NO. 660

BY REPRESENTATIVE ST. GERMAIN

TAX CREDITS: Establishes an annual cap on the motion picture investor income tax credit

1	AN ACT
2	To enact R.S. 47:6007(C)(1)(e), relative to income tax credits; to provide with respect to the
3	motion picture investor income tax credit; to provide for an annual program cap for
4	the motion picture investor tax credit; to provide for the promulgation of rules and
5	regulations; to provide for an effective date; and to provide for related matters.
6	Be it enacted by the Legislature of Louisiana:
7	Section 1. R.S. 47:6007(C)(1)(e) is hereby enacted to read as follows:
8	§6007. Motion picture investor tax credit
9	* * *
10	C. Investor tax credit; specific productions and projects.
11	(1)
12	* * *
13	(e) Beginning January 1, 2016, the aggregate amount of credits certified for
14	all investors pursuant to this Section during any calendar year shall not exceed one
15	hundred million dollars. An application for initial certification of a project shall be
16	submitted to the office prior to the granting of the credit, and the granting of credits
17	under this Section shall be on a first-come, first-served basis. If the total amount of
18	credits applied for in any particular year exceeds the aggregate amount of tax credits
19	allowed for that year, the excess shall be treated as having been applied for on the
20	first day of the subsequent year. The secretary shall provide for the administration

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CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

1 of the annual aggregate maximum amount of credits certified by the office through 2 rules and regulations promulgated in accordance with the Administrative Procedure 3 Act, subject to oversight by the House Committee on Ways and Means and the 4 Senate Committee on Revenue and Fiscal Affairs. 5 6 Section 2. This Act shall become effective on January 1, 2016; if vetoed by the governor and subsequently approved by the Legislature, this Act shall become effective on 7 8 January 1, 2016, or on the day following such approval by the Legislature, whichever is 9 later.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 660 Original

2015 Regular Session

St. Germain

Abstract: Beginning Jan. 1, 2016, establishes an annual \$100 million program cap on the amount of motion picture investor tax credits certified by the office.

<u>Present law</u> provides for an income tax credit for La. taxpayers for investment in state-certified productions earned at the time expenditures are made by a motion picture production company in a state-certified production. The amount of the credit shall be equal to 30% of the base investment made by the investor if the total base investment is more than \$300,000. Additionally provides for a credit equal to 5% of base investment expended on payroll for La. residents employed in connection with a state-certified production. However, this credit does not apply to the payroll of any one person that exceeds \$1 million dollars.

<u>Proposed law</u> retains <u>present law</u> but limits the program to an annual \$100 million cap in tax credits that may be certified each year. Credits shall be granted on a first-come, first-served basis. If the total amount of credits applied for in any particular year exceeds the aggregate amount of credits allowed for that year, the excess shall be treated as having been applied for on the first day of the subsequent year.

<u>Proposed law</u> requires the secretary to promulgate rules and regulations for administration of the annual cap in accordance with the procedures of the Administrative Procedures Act, subject to oversight by the House Ways and Means Committee and the Senate Revenue and Fiscal Affairs Committee.

Effective Jan. 1. 2016.

(Adds R.S. 47:6007(C)(1)(e))