

2015 Regular Session

HOUSE BILL NO. 704

BY REPRESENTATIVES THIERRY, GAINES, HUNTER, JACKSON, JAMES, AND SMITH

TAX CREDITS: Establishes an annual cap on the amount of motion picture investor tax credits that can be certified annually

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 fifty million dollars. An application for initial certification of a project  
16 shall be submitted to the office prior to the granting of the credit, and the granting  
17 of credits under this Section shall be on a first-come, first-served basis. If the total  
18 amount of credits applied for in any particular year exceeds the aggregate amount of  
19 tax credits allowed for that year, the excess shall be treated as having been applied  
20 for on the first day of the subsequent year. The secretary shall provide for the  
21 administration of the annual aggregate maximum amount of credits certified by the

1         office through rules and regulations promulgated in accordance with the  
2         Administrative Procedure Act, subject to oversight by the House Committee on  
3         Ways and Means and the Senate Committee on Revenue and Fiscal Affairs.

4                                     \*       \*       \*

5         Section 2. This Act shall become effective on January 1, 2016; if vetoed by the  
6         governor and subsequently approved by the Legislature, this Act shall become effective on  
7         January 1, 2016, or on the day following such approval by the Legislature, whichever is  
8         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 704 Original                                 2015 Regular Session                                 Thierry

**Abstract:** Beginning Jan. 1, 2016, establishes an annual \$150 million program cap on the amount of motion picture investor tax credits certified by the office.

Present law 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 whose salary exceeds \$1 million dollars.

Proposed law retains present law but limits the program to an annual \$150 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.

Proposed law 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))