

2017 Regular Session

SENATE BILL NO. 78

BY SENATOR LUNEAU

TAX/TAXATION. Eliminates the film tax credit and permanently extends the fiscal year program cap on all allowances of the tax credits and transfers. (7/1/17)

1 AN ACT

2 To amend and reenact R.S. 47:6007(B)(26) and (C)(1)(d)(i) and (ii)(aa) and to repeal R.S.

3 47:6007(C)(1)(d)(ii)(cc), relative to the motion picture production tax credit; to

4 provide with respect to the motion picture investor tax credit; to provide for

5 definitions; to provide for the certification of credits; to provide for an annual

6 program cap on the tax credit and a fiscal year program cap on all allowances of the

7 tax credits and transfers; to provide for effectiveness; and to provide for related

8 matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 47:6007(B)(26) and (C)(1)(d)(i) and (ii)(aa) are hereby amended and
11 reenacted to read as follows:

12 §6007. Motion picture production tax credit

13 * * *

14 B. Definitions. For the purposes of this Section:

15 * * *

16 (26) "State-certified production" means a production or slate of productions
17 approved by the office and the secretary **on or before June 30, 2017**, which is

1 produced by a motion picture production company domiciled and headquartered in
2 Louisiana and which has a viable multi-market commercial distribution plan.

3 * * *

4 C. Production tax credit; specific productions and projects.

5 * * *

6 (1) There is hereby authorized a tax credit against state income tax for
7 Louisiana taxpayers for expenditures related to state-certified productions. The tax
8 credit shall be earned by a motion picture production company at the time
9 expenditures are certified by the office and the secretary for a motion picture
10 production company in a state-certified production. However, credits cannot be
11 applied against a tax or transferred until the expenditures are certified by the office
12 and the secretary. For state-certified productions, expenditures shall be certified no
13 more than once per production, after project completion. However, if at the time of
14 application for initial certification, the office is notified that post-production
15 activities will take place in Louisiana, a supplemental request for certification of
16 expenditures directly related to such post-production activity may be submitted for
17 consideration by the office. The cost of any verification or audit of such expenditures
18 shall be borne by the motion picture production company. The tax credit shall be
19 calculated as a percentage of the total base investment dollars certified per project.

20 * * *

21 (d)(i) For state-certified productions approved on or after July 1, 2015, and
22 on or before June 30, ~~2018~~ **2017**, the maximum amount of credits that may be
23 certified for ~~an~~ **a** single state-certified production shall not exceed thirty million
24 dollars. The credit for these productions may be structured over two or more tax
25 years as provided for in the initial certification letter.

26 (ii)(aa) For **Beginning in** Fiscal Years 2015-2016 ~~2016-2017, and 2017-2018~~,
27 claims against state income tax allowed on returns for tax credits or transfers of such
28 tax credits to the office as provided for in Paragraph (4) of this Subsection shall be
29 limited to an aggregate total of one hundred eighty million dollars each fiscal year.

1 Claims for tax credits or transfers of tax credits to the office shall be allowed on a
 2 first-come-first-served basis. Any taxpayer whose claim for such tax credits or
 3 transfer to the office is disallowed may use the tax credits against state income tax
 4 due in a return filed in the next fiscal year or may transfer tax credits to the office the
 5 next fiscal year, and his claim or transfer shall have priority over other claims filed
 6 or transfers applied for after the date and time of his original claim or application for
 7 transfer.

8 * * *

9 Section 2. R.S. 47:6007(C)(1)(d)(ii)(cc) is hereby repealed in its entirety.

10 Section 3. This Act shall become effective on July 1, 2017; if vetoed by the governor
 11 and subsequently approved by the legislature, this Act shall become effective on July 1,
 12 2017, or on the day following such approval by the legislature, whichever is later.

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

DIGEST

SB 78 Original

2017 Regular Session

Luneau

Present law authorizes a tax credit against state income tax based on motion picture production expenditures for state-certified productions. The tax credit is calculated as a percentage of the total base investment dollars certified per project.

Proposed law limits the credit to productions granted initial certification on or before June 30, 2017.

Present law, until Fiscal Year 2018-2019, caps the maximum amount of credits that may be certified annually for the program by the office and the secretary at \$180 million and caps the amount of credits available for any single state-certified production at \$30 million. Additionally provides that if the total amount of credits certified for a year exceeds the maximum 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 makes both caps permanent by eliminating the Fiscal Year 2018-2019 sunsets.

Effective on July 1, 2017.

(Amends R.S. 47:6007(B)(26) and (C)(1)(d)(i) and (ii)(aa); repeals R.S. 47:6007(C)(1)(d)(ii)(cc))