

**Representative Jeremy A. Peterson** proposes the following substitute bill:

**MOTION PICTURE INCENTIVES AMENDMENTS**

2016 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Jeremy A. Peterson**

Senate Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill addresses motion picture incentives.

**Highlighted Provisions:**

This bill:

► amends reporting requirements associated with incentives for state-approved productions by a motion picture company.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**63N-8-103**, as renumbered and amended by Laws of Utah 2015, Chapter 283

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*Be it enacted by the Legislature of the state of Utah:*

Section 1. Section **63N-8-103** is amended to read:

**63N-8-103. Motion Picture Incentive Account created -- Cash rebate incentives -- Refundable tax credit incentives.**



26 (1) (a) There is created within the General Fund a restricted account known as the  
27 Motion Picture Incentive Account, which the office shall use to provide cash rebate incentives  
28 for state-approved productions by a motion picture company.

29 (b) All interest generated from investment of money in the restricted account shall be  
30 deposited in the restricted account.

31 (c) The restricted account shall consist of an annual appropriation by the Legislature.

32 (d) The office shall:

33 (i) with the advice of the board, administer the restricted account; and

34 (ii) make payments from the restricted account as required under this section.

35 (e) The cost of administering the restricted account shall be paid from money in the  
36 restricted account.

37 (2) (a) A motion picture company or digital media company seeking disbursement of  
38 an incentive allowed under an agreement with the office shall follow the procedures and  
39 requirements of this Subsection (2).

40 (b) The motion picture company or digital media company shall provide the office with  
41 a report identifying and documenting the dollars left in the state [~~or~~] and new state revenues  
42 generated by the motion picture company or digital media company for its state-approved  
43 production, including any related tax returns by the motion picture company, payroll company,  
44 digital media company, or loan-out corporation under Subsection (2)(d).

45 (c) For a motion picture company, an independent certified public accountant shall:

46 (i) review the report submitted by the motion picture company; and

47 (ii) attest to the accuracy and validity of the report, including the amount of dollars left  
48 in the state.

49 (d) The motion picture company, digital media company, payroll company, or loan-out  
50 corporation shall provide the office with a document that expressly directs and authorizes the  
51 State Tax Commission to disclose the entity's tax returns and other information concerning the  
52 entity that would otherwise be subject to confidentiality under Section 59-1-403 or Section  
53 6103, Internal Revenue Code, to the office.

54 (e) The office shall submit the document described in Subsection (2)(d) to the State  
55 Tax Commission.

56 (f) Upon receipt of the document described in Subsection (2)(d), the State Tax

57 Commission shall provide the office with the information requested by the office that the  
58 motion picture company, digital media company, payroll company, or loan-out corporation  
59 directed or authorized the State Tax Commission to provide to the office in the document  
60 described in Subsection (2)(d).

61 (g) Subject to Subsection (3), for a motion picture company the office shall:

62 (i) review the report from the motion picture company described in Subsection (2)(b)  
63 and verify that it was reviewed by an independent certified public accountant as described in  
64 Subsection (2)(c); and

65 (ii) based upon the certified public accountant's attestation under Subsection (2)(c),  
66 determine the amount of the incentive that the motion picture company is entitled to under its  
67 agreement with the office.

68 (h) Subject to Subsection (3), for a digital media company, the office shall:

69 (i) ensure the digital media project results in new state revenue; and

70 (ii) based upon review of new state revenue, determine the amount of the incentive that  
71 a digital media company is entitled to under its agreement with the office.

72 (i) Subject to Subsection (3), if the incentive is in the form of a cash rebate, the office  
73 shall pay the incentive from the restricted account to the motion picture company,  
74 notwithstanding Subsections 51-5-3(23)(b) and 63J-1-104(4)(c).

75 (j) If the incentive is in the form of a refundable tax credit under Section 59-7-614.5 or  
76 59-10-1108, the office shall:

77 (i) issue a tax credit certificate to the motion picture company or digital media  
78 company; and

79 (ii) provide a duplicate copy of the tax credit certificate to the State Tax Commission.

80 (k) A motion picture company or digital media company may not claim a motion  
81 picture tax credit under Section 59-7-614.5 or 59-10-1108 unless the motion picture company  
82 or digital media company has received a tax credit certificate for the claim issued by the office  
83 under Subsection (2)(j)(i).

84 (l) A motion picture company or digital media company may claim a motion picture  
85 tax credit on its tax return for the amount listed on the tax credit certificate issued by the office.

86 (m) A motion picture company or digital media company that claims a tax credit under  
87 Subsection (2)(l) shall retain the tax credit certificate and all supporting documentation in

88 accordance with Subsection [63N-8-104](#)(6).

89           (3) (a) Subject to Subsection (3)(b), the office may issue \$6,793,700 in tax credit  
90 certificates under this part in a fiscal year .

91           (b) If the office does not issue tax credit certificates in a fiscal year totaling the amount  
92 authorized under Subsection (3)(a), it may carry over that amount for issuance in subsequent  
93 fiscal years .