

1 HB243
2 136901-3
3 By Representatives Collins, Harper, Hubbard (J), Brown, Henry,
4 Long, Wallace, Patterson, Lee and Chesteen
5 RFD: Economic Development and Tourism
6 First Read: 09-FEB-12

1 production, provided the total production expenditures for a
2 project must equal or exceed at least five hundred thousand
3 dollars (\$500,000), but no rebate shall be available for
4 production expenditures incurred after the first ~~ten~~ twenty
5 million dollars ~~(\$10,000,000)~~ (\$20,000,000) of production
6 expenditures expended in Alabama on a state-certified
7 production.

8 "(b) A single episode in a television series or
9 miniseries may be considered a single production project for
10 purposes of this section. However, in determining the total
11 production expenditures incurred by a qualified production
12 company on a qualified production, the total production
13 expenditures of a television series or miniseries, whether a
14 single season or multiple seasons thereof, to be filmed within
15 a period of 12 consecutive months, each individual episode of
16 which separately and independently meets the definition of a
17 qualified production, may be aggregated to meet the monetary
18 requirements set forth in subsection (a) as long as each
19 individual episode within the series pertains to the same
20 subject as the other episodes in the series.

21 "(c) A single commercial may be considered a single
22 production project for purposes of this section. However, in
23 determining the total production expenditures incurred by a
24 qualified production company on a qualified production, the
25 total production expenditures of a series of commercials to be
26 filmed within a period of 12 consecutive months, each of which
27 separately and independently meets the definition of a

1 qualified production, may be aggregated to meet the monetary
2 requirements set forth in subsection (a) as long as each
3 individual commercial within the series pertains to the same
4 subject as the other commercials in the series and was planned
5 as part of a series of commercials to be filmed within a
6 period of 12 consecutive months at the time the qualified
7 production company applied for the incentives.

8 "(d) A qualified production company shall be
9 entitled to the rebate for production expenditures as provided
10 in subsection (a) for a qualified project that is limited only
11 to the production of a soundtrack used in a motion picture or
12 documentary, provided that the production expenditures for the
13 soundtrack project must equal or exceed at least fifty
14 thousand dollars (\$50,000), but no rebate shall be available
15 for production expenditures incurred after the first three
16 hundred thousand dollars (\$300,000) of production expenditures
17 expended in Alabama.

18 "(e) A qualified production company shall be
19 entitled to the rebate for production expenditures as provided
20 in subsection (a) for a qualified project that is limited only
21 to the production of a music video, provided that the
22 production expenditures for the music video equal or exceed
23 fifty thousand dollars (\$50,000), but no rebate shall be
24 available for production expenditures incurred after the first
25 two hundred thousand dollars (\$200,000) of production
26 expenditures expended in Alabama.

1 "(f) The rebate described in this section may be
2 applied to offset any income tax liability applicable to a
3 qualified production company for the tax year in which
4 production activity in Alabama on the state-certified
5 production concludes.

6 "(g) The Commissioner of the Department of Revenue
7 and the office shall promulgate rules necessary to administer
8 this section.

9 "§41-7A-45.

10 "A qualified production company that intends to
11 expend in the aggregate one hundred fifty thousand dollars
12 (\$150,000) or more in connection with a qualified production
13 in the State of Alabama within a consecutive 12-month period,
14 upon making application for, meeting the requirements of, and
15 receiving written certification of that designation from the
16 office, shall be exempted from the payment of the state
17 portion, but not the local portion of sales, use, and lodging
18 taxes levied pursuant to Sections 40-23-2, 40-23-61, and
19 40-26-1, respectively, on production expenditures expended in
20 Alabama in connection with the state-certified productions.
21 The exemption provided by this section shall not be available
22 for production expenditures incurred by a qualified production
23 company after the first ~~ten~~ twenty million dollars
24 ~~(\$10,000,000)~~ (\$20,000,000) of production expenditures
25 expended in Alabama on a state-certified project.

26 "§41-7A-48.

1 "For the fiscal years year ending September 30,
2 2009, the aggregate cap of incentives granted under this
3 article shall not exceed five million dollars (\$5,000,000) for
4 all qualified production companies. For the fiscal years year
5 ending September 30, 2010, the aggregate cap of incentives
6 granted under this article shall not exceed seven million five
7 hundred thousand dollars (\$7,500,000) for all qualified
8 production companies. For fiscal years ending September 30,
9 2011, and September 30, 2012, ~~and for all subsequent fiscal~~
10 ~~years thereafter,~~ the aggregate cap of incentives granted
11 under this article shall not exceed ten million dollars
12 (\$10,000,000) for all qualified production companies. For the
13 fiscal year ending September 30, 2013, the aggregate cap of
14 incentives granted under this article shall not exceed fifteen
15 million dollars (\$15,000,000). For the fiscal year ending
16 September 30, 2014, the aggregate cap of incentives granted
17 under this article shall not exceed twenty million dollars
18 (\$20,000,000) and for all subsequent fiscal years thereafter,
19 the aggregate cap of incentives granted under this article
20 shall not exceed twenty-five million dollars (\$25,000,000) for
21 all qualified production companies."

22 Section 2. This act shall become effective
23 immediately following its passage and approval by the
24 Governor, or its otherwise becoming law.

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House of Representatives

Read for the first time and re-
ferred to the House of Representa-
tives committee on Economic Devel-
opment and Tourism..... 09-FEB-12

Read for the second time and placed
on the calendar with 1 substitute
and..... 16-FEB-12

Read for the third time and passed
as amended..... 28-FEB-12

Yeas 101, Nays 0, Abstains 1

Greg Pappas
Clerk