

House Bill 1431

By: Representatives Greene of the 154th, Stephens of the 164th, Townsend of the 179th, Sainz of the 180th, and Williams of the 168th

A BILL TO BE ENTITLED
AN ACT

1 To amend Code Section 48-7-40.26 of the Official Code of Georgia Annotated, relating to
2 tax credits for film, gaming, video, or digital production, so as to provide for an additional
3 credit for certain qualified productions that are shot in certain rural counties; to require the
4 publication of a list of such counties; to provide for an application requirement; to provide
5 for related matters; to repeal conflicting laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Code Section 48-7-40.26 of the Official Code of Georgia Annotated, relating to tax credits
9 for film, gaming, video, or digital production, is amended by revising subsections (c) and (d)
10 as follows:

11 "(c) For any production company or qualified interactive entertainment production
12 company and its affiliates that invest in a state certified production approved by the
13 Department of Economic Development and whose average annual total production
14 expenditures in this state did not exceed \$30 million for 2002, 2003, and 2004, there shall
15 be allowed an income tax credit against the tax imposed under this article. The tax credit
16 under this subsection shall be allowed if the base investment in this state equals or exceeds

17 \$500,000.00 for qualified production activities, except that any qualified interactive
18 entertainment production company shall be allowed the tax credit under this subsection if
19 the base investment in this state equals or exceeds \$250,000.00 for qualified production
20 activities on or after January 1, 2018, and shall be calculated as follows:

21 (1) The production company or qualified interactive entertainment production company
22 shall be allowed a tax credit equal to 20 percent of the base investment in this state; and

23 (2)(A) The production company or qualified interactive entertainment production
24 company shall be allowed an additional tax credit equal to 10 percent of such base
25 investment if the qualified production activity includes a qualified Georgia promotion.
26 Such additional tax credit shall be allowed for any qualified production that includes
27 a qualified Georgia promotion upon its release to the general public. In lieu of the
28 inclusion of the Georgia promotional logo, the production company or qualified
29 interactive entertainment production company may offer alternative marketing
30 opportunities to be evaluated by the Department of Economic Development to ensure
31 that they offer equal or greater promotional value to the State of Georgia. The
32 Department of Economic Development shall electronically certify to the Department
33 of Revenue when the requirements of this paragraph and paragraph (2) of subsection
34 (d) of this Code section have been met.

35 (B) The Department of Economic Development shall prepare an annual report detailing
36 the marketing opportunities it has approved under the provisions of subparagraph (A)
37 of this paragraph. The report shall include, but not be limited to:

38 (i) The goals and strategy behind each marketing opportunity approved pursuant to
39 the provisions of subparagraph (A) of this paragraph;

40 (ii) The names of all production companies approved by the Department of Economic
41 Development to provide alternative marketing opportunities;

42 (iii) The estimated value to the state of each approved alternative marketing
43 opportunity compared to the estimated value of the Georgia promotional logo; and

44 (iv) The names of all production companies who chose to include the Georgia
45 promotional logo in their final production instead of offering the state an alternative
46 marketing proposal.

47 The report required under this paragraph shall be completed no later than January 1 of
48 each year and presented to each member of the House Committee on Ways and Means,
49 the Senate Finance Committee, the Senate Economic Development and Tourism
50 Committee, the House Committee on Economic Development and Tourism, and the
51 Governor.

52 (C) The additional percentage of tax credit allowed by this paragraph and by paragraph
53 (2) of subsection (d) of this Code section shall not be allowed to a production company
54 for any qualified production activity or state certified production that has not been
55 commercially distributed in multiple markets.

56 (D) The additional percentage of tax credit that is allowed by this paragraph and by
57 paragraph (2) of subsection (d) of this Code section shall not be issued final
58 certification pursuant to subsection (l) of this Code section unless and until the state
59 certified production has been commercially distributed in multiple markets within five
60 years of the date that the project was first certified by the Department of Economic
61 Development.

62 (3) For taxable years beginning on or after January 1, 2024, and ending on or before
63 December 31, 2029, the production company or qualified interactive entertainment
64 production company shall be allowed an additional tax credit equal to 5 percent of such
65 base investment if 60 percent or more of the total photography days of the state certified
66 production occur in one or more counties in this state that individually have a population
67 of less than 100,000 with 10 percent or more of such population living in poverty based
68 upon the most recent, reliable, and applicable data published by the United States Bureau
69 of the Census. On or before December 31 of each year, the commissioner of the
70 Department of Community Affairs shall publish a list of such counties.

71 ~~(3)~~(4) The base investment and the amount of the credit allowed by this subsection and
72 by subsection (d) of this Code section with respect to a production company shall be
73 subject to the limitations of and any reductions required by subsection (l) of this Code
74 section.

75 (d) For any production company or qualified interactive entertainment production
76 company and its affiliates that invest in a state certified production approved by the
77 Department of Economic Development and whose average annual total production
78 expenditures in this state exceeded \$30 million for 2002, 2003, and 2004, there shall be
79 allowed an income tax credit against the tax imposed under this article. For purposes of
80 this subsection, the excess base investment in this state is computed by taking the current
81 year production expenditures in a state certified production and subtracting the average of
82 the annual total production expenditures for 2002, 2003, and 2004. The tax credit shall be
83 calculated as follows:

84 (1) If the excess base investment in this state equals or exceeds \$500,000.00, or
85 \$250,000.00 for qualified interactive entertainment production activities on or after
86 January 1, 2018, the production company or qualified interactive entertainment
87 production company and its affiliates shall be allowed a tax credit of 20 percent of such
88 excess base investment; and

89 (2)(A) The production company or qualified interactive entertainment production
90 company and its affiliates shall be allowed an additional tax credit equal to 10 percent
91 of the excess base investment if the qualified production activities include a qualified
92 Georgia promotion. Such additional tax credit shall be allowed for any qualified
93 production that includes a qualified Georgia promotion upon its release to the general
94 public. In lieu of the inclusion of the Georgia promotional logo, the production
95 company or qualified interactive entertainment production company may offer
96 marketing opportunities to be evaluated by the Department of Economic Development
97 to ensure that they offer equal or greater promotional value to the State of Georgia.

98 (B) The Department of Economic Development shall prepare an annual report detailing
99 the marketing opportunities it has approved under the provisions of subparagraph (A)
100 of this paragraph. The report shall include, but not be limited to:

- 101 (i) The goals and strategy behind each marketing opportunity approved pursuant to
102 the provisions of subparagraph (A) of this paragraph;
- 103 (ii) The names of all production companies approved by the Department of Economic
104 Development to provide alternative marketing opportunities;
- 105 (iii) The estimated value to the state of each approved alternative marketing
106 opportunity compared to the estimated value of the Georgia promotional logo; and
- 107 (iv) The names of all production companies who chose to include the Georgia
108 promotional logo in their final production instead of offering the state an alternative
109 marketing proposal.

110 The report required under this paragraph shall be completed no later than January 1 of
111 each year and presented to each member of the House Committee on Ways and Means,
112 the Senate Finance Committee, the Senate Economic Development and Tourism
113 Committee, the House Committee on Economic Development and Tourism, and the
114 Governor.

115 (3) For taxable years beginning on or after January 1, 2024, and ending on or before
116 December 31, 2029, the production company or qualified interactive entertainment
117 production company shall be allowed an additional tax credit equal to 5 percent of such
118 base investment if 60 percent or more of the total photography days of the state certified
119 production occur in one or more counties in this state that individually have a
120 population of less than 100,000 with 10 percent or more of such population living in
121 poverty based upon the most recent, reliable, and applicable data published by the
122 United States Bureau of the Census. On or before December 31 of each year, the
123 commissioner of the Department of Community Affairs shall publish a list of such
124 counties."

125 **SECTION 2.**

126 Said Code section is further amended in paragraph (2) of subsection (h.1) by redesignating
127 subparagraphs (I) and (J) as (J) and (K), respectively, and by adding a new subparagraph (I)
128 to read as follows:

129 "(I) For any projects certified by the Department of Economic Development on or after
130 January 1, 2024, for which the tax credits sought include the additional credit allowed
131 pursuant to paragraph (3) of subsection (c) of this Code section or paragraph (3) of
132 subsection (d) of this Code section, a description of the status of satisfying the
133 requirements of such paragraphs:"

134 **SECTION 3.**

135 All laws and parts of laws in conflict with this Act are repealed.