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

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DIGEST

SB 95 Original

2015 Regular Session

Morrell

Proposed law allows a production to be certified as an Indigenous Louisiana Production (ILP) if the applicant for motion picture investor tax credits accepts as a condition for earning any tax credits that 75% or more of the total amount of the applicant's expenditures for "Above the Line services" will be expended on Louisiana residents and that 75% or more of the total number of jobs in the production will be those in which the applicant will employ Louisiana residents.

"Above the Line (ATL) services" is defined in proposed law as services such as those of a producer, executive producer, line producer, coproducer, assistant producer, actor, director, casting director, screenwriter, and other services of job positions that are associated with the creative or financial control of a production and customarily considered as Above the Line services in the film and television industry.

"Resident" or "resident of Louisiana" is defined in present law as a natural person domiciled in the state and further provides that a person who maintains a permanent place of abode within the state and spends in the aggregate more than six months of each year within the state must be presumed to be domiciled in the state.

Proposed law provides that a violation of the obligations of the conditions under which the ILP is granted voids the certification and no tax credits can be certified or earned under the certification.

Present law grants a motion picture investor tax credit as a percentage of the "base investment" made and used for "production expenditures" in the state for a "state-certified production". The term "production expenditures" is defined in present law.

Present law allows a motion picture investor tax credit of 30% (and an extra 5% for the payroll of Louisiana residents) if the total "base investment" made and used for "production expenditures" in the state for a "state-certified production" is greater than \$300,000.

Proposed law allows the credit in the case of an "Indigenous Louisiana Production" if the total base investment in the state is greater than \$50,000.

Present law defines the term "production expenditures" eligible for the credit, but specifies that certain expenditures, including marketing, advertising, and distribution costs are not included.

Proposed law allows up to \$1 million expended in the state on marketing, advertising, and distribution costs by ILPs to be considered eligible "production expenditures" for "Indigenous Louisiana Productions".

Present law authorizes investors who earn the motion picture investor tax credits to transfer to the office of entertainment industry development in the Department of Economic Development for 85% of the face value of the credits.

Proposed law authorizes investors in projects which receive a certification as an ILP to transfer up to \$5 million of the credits to the office for 90% of the face value of the credits.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 47:6007(B)(10), (C)(1)(c)(i), (D)(1)(b), (D)(2)(a)(intro para), and (D)(2)(c); adds R.S. 47:6007(B)(17) and (18), (C)(4)(f)(iii), and (D)(2)(a)(ii))