

**ACT No. 363**

2019 Regular Session

HOUSE BILL NO. 331

BY REPRESENTATIVES LEGER, ABRAHAM, BAGNERIS, BOUIE, BOURRIAQUE, GARY CARTER, COX, DAVIS, DUPLESSIS, JIMMY HARRIS, HORTON, JACKSON, JENKINS, LACOMBE, MARCELLE, SCHEXNAYDER, SMITH, STOKES, AND WHITE AND SENATORS MORRELL AND PETERSON

1 AN ACT

2 To amend and reenact R.S. 47:6023(B)(6), (7), and (8), (C)(1)(d)(introductory paragraph)  
3 and (I), to enact R.S. 47:6023(B)(9) and (C)(1)(e), and to repeal R.S.  
4 47:6023(C)(4)(a)(iv) and (J), relative to the sound recording investor tax credit; to  
5 provide for definitions; to authorize an additional tax credit for certain copyrighted  
6 recordings; to limit the annual number of certain copyrighted recordings that qualify  
7 for tax credits; to provide for certain requirements and limitations; to extend the  
8 sunset of the tax credit; to provide for effective date; and to provide for related  
9 matters.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 47:6023(B)(6), (7), and (8), (C)(1)(d)(introductory paragraph) and  
12 (I) are hereby amended and reenacted and R.S. 47:6023(B)(9) and (C)(1)(e) are hereby  
13 enacted to read as follows:

14 §6023. Sound recording investor tax credit

15 \* \* \*

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

17 \* \* \*

18 (6) "Resident copyright" means the copyright of a musical composition  
19 written by a Louisiana resident or owned by a Louisiana-domiciled music company  
20 as evidenced by documents of ownership such as registrations with the United States  
21 Copyright Office or performing rights organizations which denote authors and music  
22 publishing entities.

23 ~~(6)(7)~~ "Sound recording" means a recording of music, poetry, or spoken-  
24 word performance made in Louisiana, in whole or in part. The term "sound

1 recording" shall not include the audio portions of dialogue or words spoken and  
 2 recorded as part of television news coverage or athletic events.

3 ~~(7)~~(8) "Sound recording production company" shall mean a company  
 4 engaged in the business of producing sound recordings as defined in this Section.  
 5 Sound recording production company shall not mean or include any person or  
 6 company, or any company owned, affiliated, or controlled, in whole or in part, by  
 7 any company or person, which is in default on a loan made by the state or a loan  
 8 guaranteed by the state, nor which has ever declared bankruptcy under which an  
 9 obligation of the company or person to pay or repay public funds or monies was  
 10 discharged as a part of such bankruptcy.

11 ~~(8)~~(9) "State-certified production" means a sound recording production, or  
 12 a series of productions, including but not limited to master and demonstration  
 13 recordings, occurring over the course of a twelve-month period, and base investment  
 14 related to such production or productions that are approved by the Louisiana  
 15 Department of Economic Development within one hundred eighty days of the receipt  
 16 by the Department of Economic Development of a complete application for initial  
 17 certification of a production. If the production is not approved within one hundred  
 18 eighty days, the Department of Economic Development shall provide a written report  
 19 to the Senate Committee on Revenue and Fiscal Affairs and the House Committee  
 20 on Ways and Means which states the reason that the production has not been  
 21 approved.

22 C. Investor tax credit; state-certified productions.

23 (1) There is hereby authorized a credit against the state income tax for  
 24 investments made in state-certified productions. The tax credit shall be earned by  
 25 investors at the time expenditures are certified by the Louisiana Department of  
 26 Economic Development according to the total base investment certified for the sound  
 27 recording production company per calendar year; however, no credit shall be allowed  
 28 under this Section for any expenditures for which a credit was granted under R.S.  
 29 47:6007, 6022, or 6034.

30 \* \* \*

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

1                   (d) Company-based QMC payroll credit. For applications for Qualified  
 2 Music Companies received on or after July 1, 2017, or for applications for Qualified  
 3 Music Companies that have been submitted but that have not received final  
 4 certification by July 1, 2019, to the extent that base investment is expended on  
 5 payroll for Louisiana residents in connection with a QMC, tax credits shall be earned  
 6 at the following rates:

7   \*       \*       \*

8                   (e) Resident copyright credit. To the extent that the base investment by a  
 9 QMC is expended on a sound recording production of a resident copyright, the  
 10 investor shall be allowed an additional ten percent increase in the base investment  
 11 rate.

12   \*       \*       \*

13                   I. No credits shall be granted pursuant to the provisions of this Section for  
 14 applications received on or after ~~July 1, 2021~~ July 1, 2026.

15                   Section 2. R.S. 47:6023(C)(4)(a)(iv) and (J) are hereby repealed in their entirety.

16                   Section 3. This Act shall become effective upon signature by the governor or, if not  
 17 signed by the governor, upon expiration of the time for bills to become law without signature  
 18 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
 19 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
 20 effective on the day following such approval.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_