

2015 Regular Session

HOUSE BILL NO. 404

BY REPRESENTATIVE TALBOT

TAX/INCOME-CREDIT: Authorizes the invalidation and recovery of tax credits when an investor is convicted of certain criminal violations

1 AN ACT

2 To enact R.S. 47:6007(G), relative to income tax; to provide with respect to the motion  
3 picture investor tax credit; to provide for the invalidation of tax credits under certain  
4 circumstances; to provide for certain requirements; to authorize the recovery of tax  
5 credits under certain circumstances; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:6007(G) is hereby enacted to read as follows:

8 §6007. Motion picture investor tax credit

9 \* \* \*

10 G.(1) If the office determines that an investor who was granted a tax credit  
11 pursuant to the provisions of this Section has been convicted of a criminal violation  
12 related to the application for or awarding of tax credits provided for in this Section,  
13 then all of the tax credits which have been issued to the investor shall be invalidated  
14 by the office and the secretary and all of the tax credits shall be recovered by the  
15 secretary of the Department of Revenue. In order to recover the credits, in addition  
16 to any collection remedy authorized by law, the secretary of the Department of  
17 Revenue may increase the investor's state income tax liability by the amount of  
18 credits invalidated by the office until the amount of the invalidated tax credits is fully  
19 recovered, including any penalty, interest, and other costs.

1                   (2) The provisions of this Subsection shall also apply if the office determines  
2                   that an investor who was granted a tax credit was convicted of a criminal violation  
3                   involving fraud or misrepresentation of any information included in the tax credit  
4                   application.

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## DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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HB 404 Original

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Talbot

**Abstract:** Authorizes the invalidation of tax credits if an investor is convicted of certain violations associated with applying for and the awarding of credits.

Present law provides for an income tax credit for La. taxpayers for investment in state-certified productions earned at the time expenditures are made by a motion picture production company in a state-certified production. The amount of the credit shall be equal to 30% of the base investment made by the investor if the total base investment is more than \$300,000. Additionally provides for a credit equal to 5% of base investment expended on payroll for La. residents employed in connection with a state-certified production. However, this credit does not apply to the payroll of any one person that exceeds \$1million dollars.

Present law provides for the recapture and recovery of credits if the office finds that monies for which an investor received tax credits are not expended on state-certified productions within the required time frame.

Proposed law retains present law but adds requirement for the invalidation of tax credits awarded if the office determines that an investor who was granted a tax credit has been convicted of a criminal violation related to the application for or awarding of tax credits. Authorizes the Dept. of Revenue to increase the investor's state income tax liability by the amount of credits invalidated by the office until the amount of the invalidated tax credits is fully recovered, including any penalty, interest, and other costs.

Proposed law provides for the invalidation of tax credits awarded if the office determines that an investor who was granted a tax credit has been convicted of a criminal violation involving fraud or misrepresentation of any information included in the tax credit application.

(Adds R.S. 47:6007(G))