

2015 Regular Session

SENATE BILL NO. 232

BY SENATOR DONAHUE

TAX/TAXATION. Establishes a baseline limit on all claims against income tax for motion picture investor tax credits filed during a fiscal year on a first-come, first-served basis, gives claims above the amount priority in the next fiscal year and provides a termination date for the program. (gov sig)

1 AN ACT

2 To amend and reenact the introductory paragraph of R.S. 47:6007(C)(1) and R.S.  
3 47:6007(C)(1)(d) and to enact R.S. 47:6007(C)(1)(e), relative to motion picture  
4 investor tax credits; to provide a baseline amount of tax credits which may be  
5 claimed each fiscal year; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. The introductory paragraph of R.S. 47:6007(C)(1) and R.S.  
8 47:6007(C)(1)(d) are hereby amended and reenacted and R.S. 47:6007(C)(1)(e) is hereby  
9 enacted to read as follows:

10 §6007. Motion picture investor tax credit

11 \* \* \*

12 C. Investor tax credit; specific productions and projects.

13 (1) There is hereby authorized a tax credit against state income tax for  
14 Louisiana taxpayers for investment in state-certified productions **approved and**  
15 **initially certified prior to July 1, 2021**. The tax credit shall be earned by investors  
16 at the time expenditures are made by a motion picture production company in a state-  
17 certified production. However, credits cannot be applied against a tax or transferred

1 until the expenditures are certified by the office and the secretary. For state-certified  
 2 productions, expenditures shall be certified no more than twice during the duration  
 3 of a state-certified production unless the motion picture production company agrees  
 4 to reimburse the office for the costs of any additional certifications. The tax credit  
 5 shall be calculated as a percentage of the total base investment dollars certified per  
 6 project. **No tax credits for productions shall be certified on and after July 1,**  
 7 **2021.**

8 \* \* \*

9 (c) For state-certified productions approved by the office and the secretary  
 10 on or after July 1, 2009, **until July 1, 2021:**

11 \* \* \*

12 (d) **For each fiscal year beginning Fiscal Year 2015-2016, no more than**  
 13 **the baseline average of one hundred ninety-four million dollars of claims filed**  
 14 **for the credit during the five fiscal years from Fiscal Year 2008-2009 to Fiscal**  
 15 **Year 2013-2014 shall be allowed against state income tax for all claims for the**  
 16 **credit filed during a fiscal year. Claims for credit shall be allowed on a first-**  
 17 **come, first-served basis. Any taxpayer whose claim for such tax credits is**  
 18 **disallowed may use the tax credits against state income tax due in a return filed**  
 19 **in the next fiscal year, and his claim shall have priority over other claims filed**  
 20 **after the date and time of his original claim.**

21 (e) Motion picture investor tax credits associated with a state-certified  
 22 production shall never exceed the total base investment in that production.

23 \* \* \*

24 Section 2. This Act shall become effective upon signature by the governor or, if not  
 25 signed by the governor, upon expiration of the time for bills to become law without signature  
 26 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
 27 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
 28 effective on the day following such approval.

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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 232 Original

2015 Regular Session

Donahue

Present law authorizes transferable motion picture investor tax credits of 30% of the base investment made by investors (plus 5% of the payroll of Louisiana residents) any in state-certified productions approved by the office of entertainment industry development in, and the secretary of, the Department of Economic Development.

Proposed law allows no more than the "baseline average" of \$194 million of claims filed for the credit during the five fiscal years from Fiscal Year 2009-2010 to Fiscal Year 2014-2015 against state income tax for all claims for the credit filed during a fiscal year. Claims for credit shall be allowed on a first-come, first-served basis. Any taxpayer whose claim for such tax credits is disallowed may use the tax credits against state income tax due in a return filed in the next fiscal year, and his claim shall have priority over other claims filed after the date and time of his original claim.

Proposed law terminates the credit on July 1, 2020.

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

(Amends R.S. 47:6007(C)(1)(intro para) and R.S. 47:6007(C)(1)(d); adds R.S. 47:6007(C)(1)(e))