
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1519 Session of
2017

INTRODUCED BY ELLIS, JUNE 12, 2017

REFERRED TO COMMITTEE ON COMMERCE, JUNE 12, 2017

AN ACT

1 Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An
2 act relating to tax reform and State taxation by codifying
3 and enumerating certain subjects of taxation and imposing
4 taxes thereon; providing procedures for the payment,
5 collection, administration and enforcement thereof; providing
6 for tax credits in certain cases; conferring powers and
7 imposing duties upon the Department of Revenue, certain
8 employers, fiduciaries, individuals, persons, corporations
9 and other entities; prescribing crimes, offenses and
10 penalties," in entertainment production tax credit, further
11 providing for definitions, establishing the Multimedia Tax
12 Credit Fund, providing for State-certified production
13 companies and making an inconsistent repeal.

14 The General Assembly of the Commonwealth of Pennsylvania
15 hereby enacts as follows:

16 Section 1. Section 1702-D of the act of March 4, 1971
17 (P.L.6, No.2), known as the Tax Reform Code of 1971, is amended
18 by adding definitions to read:

19 Section 1702-D. Definitions.

20 The following words and phrases when used in this article
21 shall have the meanings given to them in this section unless the
22 context clearly indicates otherwise:

23 * * *

24 "Pennsylvania screenplay." As evidenced by documents,

1 including certificate of authorship, a WGA registration
2 certificate, the records of the United States Copyright Office
3 or a reasonable legal opinion issued to the office, one of the
4 following:

5 (1) A screenplay created by a Pennsylvania resident.

6 (2) A screenplay purchased, optioned, licensed or
7 otherwise acquired from a Pennsylvania publisher.

8 "Qualified Pennsylvania production company." A motion
9 picture production company, organized under the laws of this
10 Commonwealth or otherwise domiciled and authorized to do
11 business in this Commonwealth, having its principal place of
12 business in this Commonwealth, which files Pennsylvania income
13 tax returns and meets the following requirements:

14 (1) Has the power and authority to make creative
15 decisions with respect to a motion picture being produced by
16 a State-certified production company, including final cut
17 authority.

18 (2) One of the following:

19 (i) the company is at least 50% owned by a
20 Pennsylvania resident or residents who are natural
21 persons who have been domiciled in and maintained a
22 permanent place of abode in this Commonwealth for no less
23 than 12 consecutive months prior to beginning of
24 preproduction; or

25 (ii) the company has directly employed a minimum of
26 three full-time Pennsylvania residents for a minimum of
27 12 months prior to beginning of preproduction.

28 Section 2. Article XVII-D of the act is amended by adding a
29 subarticle to read:

30 SUBARTICLE E

1 MISCELLANEOUS PROVISIONS

2 Section 1771-D. Multimedia Tax Credit Fund.

3 (a) Establishment.--There is established in the department
4 the Multimedia Tax Credit Fund. All money allocated for the
5 purposes of a tax credit under this article shall be deposited
6 in the fund.

7 (b) Usage.--The funds shall be used in accordance with the
8 following:

9 (1) Eighty percent of the money in the fund shall be
10 used for the film production tax credit under Subarticle B.

11 (2) Ten percent of the money in the fund shall be used
12 for the concert rehearsal and tour tax credit under
13 Subarticle C.

14 (3) Ten percent of the money in the fund shall be used
15 for the video game production tax credit under Subarticle D.

16 (c) Unused funds.--If the available money for one or two of
17 the tax credits under this article are not fully used, the
18 remaining money may be used for the remaining tax credits.

19 Section 1772-D. State-certified production companies.

20 (a) Additional tax credit.--For State-certified productions
21 with expenditures occurring on or after July 1, 2017, a State-
22 certified production company which demonstrates that it owned or
23 optioned to own a Pennsylvania screenplay, which has been held
24 by a qualified Pennsylvania production company for a minimum of
25 12 months prior to production, may be eligible for an additional
26 10% tax credit.

27 (b) Approved companies.--The department shall post on its
28 publicly accessible Internet website a listing of approved
29 Pennsylvania publishers and qualified Pennsylvania production
30 companies.

1 Section 3. Any provision of Article XVII-D of the act of
2 March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of
3 1971, is repealed to the extent that it is inconsistent with
4 this act.

5 Section 4. This act shall take effect take effect
6 immediately.