

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1769 Session of 2017

INTRODUCED BY YOUNGBLOOD, CRUZ, DONATUCCI, KINSEY, THOMAS,  
McNEILL, V. BROWN AND SCHWEYER, SEPTEMBER 8, 2017

REFERRED TO COMMITTEE ON FINANCE, SEPTEMBER 8, 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 credit for qualified film production expenses  
12 and for report to General Assembly and providing for  
13 diversity goals.

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

16 Section 1. Sections 1712-D(b) and 1720-D(a) of the act of  
17 March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of  
18 1971, renumbered and amended July 13, 2016 (P.L.526, No.84), are  
19 amended to read:

20 Section 1712-D. Credit for qualified film production expenses.

21 \* \* \*

22 (b) Review and approval.--The department shall establish  
23 application periods not to exceed 90 days each. All applications

1 received during the application period shall be reviewed and  
2 evaluated by the department based on the following criteria:

3 (1) The anticipated number of production days in a  
4 qualified production facility.

5 (2) The anticipated number of Pennsylvania employees.

6 (3) The number of preproduction days through  
7 postproduction days in Pennsylvania.

8 (4) The anticipated number of days spent in Pennsylvania  
9 hotels.

10 (5) The Pennsylvania production expenses in comparison  
11 to the production budget.

12 (6) The use of studio resources.

13 (6.1) The promotion and implementation of a diversity  
14 plan in order to ensure diversity and promote the  
15 participation of diverse groups by affording equal access to  
16 employment opportunities under section 1720-D.

17 (7) If the application includes a qualified  
18 postproduction expense:

19 (i) The qualified postproduction facility where the  
20 activity will occur.

21 (ii) The anticipated type of postproduction activity  
22 that will be conducted.

23 (8) Other criteria that the Director of the Pennsylvania  
24 Film Office deems appropriate to ensure maximum employment  
25 and benefit within this Commonwealth.

26 Upon determining the taxpayer has incurred or will incur  
27 qualified film production expenses, the department may approve  
28 the taxpayer for a tax credit. Applications not approved may be  
29 reviewed and considered in subsequent application periods. The  
30 department may approve a taxpayer for a tax credit based on its

1 evaluation of the criteria under this subsection.

2 \* \* \*

3 Section 1720-D. Report to General Assembly.

4 (a) General rule.--No later than June [1, 2008, and  
5 September 1 of each year thereafter] each year, the Secretary of  
6 Community and Economic Development shall submit a report to the  
7 General Assembly summarizing the effectiveness of the tax credit  
8 provided by this subarticle. The report shall include the name  
9 of the film produced, the names of all taxpayers utilizing the  
10 credit as of the date of the report and the amount of credits  
11 approved for, utilized by or sold or assigned by each taxpayer.  
12 The report may also include any recommendations for changes in  
13 the calculation or administration of the tax credit. The report  
14 shall be submitted to the chairman and minority chairman of the  
15 Appropriations and Finance Committees of the Senate and the  
16 chairman and minority chairman of the Appropriations and Finance  
17 Committees of the House of Representatives. In addition to the  
18 information set forth above, the report shall include the  
19 following information, which shall be separated by geographic  
20 location within this Commonwealth:

21 (1) The amount of credits claimed during the fiscal year  
22 by film.

23 (2) The total amount spent in this Commonwealth during  
24 the fiscal year by film.

25 (3) The total amount of tax revenues generated by this  
26 Commonwealth during the fiscal year by film.

27 (4) The total number of jobs created during the fiscal  
28 year by film, including the duration of the jobs.

29 (5) The total number of hires and employment offers  
30 made, including data relating to race, gender and residence

1 of those hired or offered employment.

2 (6) All contracting and subcontracting data involving  
3 the taxpayer and minority-owned business enterprises and  
4 women-owned business enterprises.

5 \* \* \*

6 Section 2. The act is amended by adding a section to read:  
7 Section 1722-D. Diversity goals.

8 (a) Intent.--It is the intent and goal of the General  
9 Assembly that the Pennsylvania Film Office and the department  
10 promote and ensure diversity to enhance the representation of  
11 diverse groups in all aspects of the film production tax credit  
12 authorized under this section.

13 (b) General rule.--The Pennsylvania Film Office and the  
14 department shall work with the taxpayer seeking a credit or a  
15 taxpayer under contract to enhance the representation of diverse  
16 groups, employees or business entities utilized under or  
17 associated with production expenses under this section.

18 Section 3. This act shall take effect in 60 days.