

2015 Regular Session

HOUSE BILL NO. 535

BY REPRESENTATIVE TALBOT

TAX CREDITS: Provides relative to expenses that are ineligible for motion picture investor tax credits

1 AN ACT

2 To amend and reenact R.S. 47:6007(B)(10), relative to income tax credits; to provide with
3 respect to the motion picture investor tax credit; to exclude certain costs from the
4 definition of production expenditures; to provide for an effective date; and to provide
5 for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:6007(B)(10) is hereby amended and reenacted to read as follows:

8 §6007. Motion picture investor tax credit

9 * * *

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

11 * * *

12 (10) "Production expenditures" means preproduction, production, and
13 postproduction expenditures in this state directly relating to a state-certified
14 production, including without limitation the following: set construction and
15 operation; wardrobes, makeup, accessories, and related services; costs associated
16 with photography and sound synchronization, lighting, and related services and
17 materials; editing and related services; rental of facilities and equipment; leasing of
18 vehicles; costs of food and lodging; digital or tape editing, film processing, transfer
19 of film to tape or digital format, sound mixing, special and visual effects; and
20 payroll. This term shall not include expenditures for marketing and distribution;

1 non-production related overhead including finance fees, airfare, interest, and
2 insurance; amounts reimbursed by the state or any other governmental entity; costs
3 related to the transfer of tax credits; amounts that are paid to persons or entities as
4 a result of their participation in profits from the exploitation of the production; the
5 application fee; or state or local taxes.

6 * * *

7 Section 2. This Act shall become effective on July 1, 2015; if vetoed by the governor
8 and subsequently approved by the legislature, this Act shall become effective on July 1,
9 2015, or on the day following such approval by the legislature, whichever is later.

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)]

HB 535 Original

2015 Regular Session

Talbot

Abstract: Provides relative to expenses that are ineligible for motion picture investor tax 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 the 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 \$1 million. Present law provides for the inclusion of production expenditures in the calculation of the motion picture investor tax credit. Present law excludes non-production related overhead expenditures from the definition of production expenditures.

Proposed law revises present law to include finance fees, airfare, interest payments, and insurance as excluded non-production related overhead expenditures for the purposes of defining production expenditures.

Effective July 1, 2015.

(Amends R.S. 47:6007(B)(10))