
DIGEST

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HB No. 673

Abstract: Extends the Louisiana motion picture tax credit and enacts the Louisiana music tax credit.

Present law grants a credit until July 1, 2006, against individual and corporate income tax and corporate franchise tax for the employment of residents in connection with a production of a motion picture. The credit is equal to 10% of the total aggregate payroll of residents employed when total production costs in Louisiana equal or exceed \$300,000, but total less than \$1,000,000 during the taxable year; 20% when total production costs exceed \$1,000,000. The credit may be carried forward for 10 years.

Proposed law eliminates the termination date and makes the credits transferable in the same manner and according to the same procedures as is provided in present law for motion picture investor tax credits.

Proposed law grants a Louisiana music tax credit to a motion picture production company or a video game production company for the use of "Louisiana music" in connection with the production of a motion picture or a video game. The tax credits are transferable in the same manner, and are claimed, applied, and are otherwise subject to the rules and procedures provided for employment tax credits above.

"Louisiana music" is defined as music that meets one of the following criteria as determined by the Governor's Office of Film and Television Development (GOFTD) and the Louisiana Music Commission:

- (1) It is composed by a Louisiana resident.
- (2) It is performed by a Louisiana resident.
- (3) It is recorded in a Louisiana studio.
- (4) It is released by a record company headquartered in Louisiana.
- (5) It is published by a publishing company headquartered in Louisiana.

The music tax credit is equal to 10% of "the total music budget" for a project when total "Louisiana music expenditures" exceed \$30,000; 20% of "the total music budget" if total "Louisiana music expenditures" exceed \$250,000. The credits earned may never exceed the total "Louisiana music expenditure."

"Louisiana music expenditure" means those costs approved by the GOFTD and the Louisiana Music Commission.

The credit may be earned in connection with a "state-certified production" - that is, a motion picture produced by a company domiciled and headquartered in Louisiana, which has signed a certain distribution agreement and is approved by the GOFTD and DED - or one that is not state certified.

Applicable to productions occurring on and after July 1, 2005.

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

(Amends R.S. 47:1125.1; Adds R.S. 47:1123 (10)-(12) and 1125.2)