

LEGISLATIVE FISCAL OFFICE

Fiscal Note



Fiscal Note On: **SB 704** SLS 08RS 1685
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: June 4, 2008 6:54 PM	Author: CHEEK
Dept./Agy.: Economic Development / Division of Administration	
Subject:	Analyst: Greg Albrecht

TAX/TAXATION OR NO IMPACT GF RV See Note Page 1 of 1
 Removes the need for written approval of the commissioner of administration before a Louisiana Digital Media Act credit certification letter is issued.

Current law requires written approval of both the secretary of the Department of Economic Development and the commissioner of administration in order for the Department to issue a credit certification letter for the digital interactive media producer tax credit (20% in the first and second year, 15% in the third and fourth years, and 10% in the fifth and sixth years).

Proposed law removes the commissioner of administration from this approval process.

Effective upon governor's signature.

EXPENDITURES	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>5 -YEAR TOTAL</u>
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Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

Currently, the commissioner of administration is not involved in the pre-certification of digital media production projects participating in the program, and cosigns the certification letters only after actual expenses claiming tax credit have been made and have been approved by the Department of Economic Development. The commissioner's involvement is an additional step that this bill will eliminate. Barring some significant expenditures that the Department might approve while the commissioner might not, removal of the commissioner from the process should not affect the amount of tax credits granted, and should speed up the approval process somewhat.

For information purposes, through March 2008, the program has had 11 applications reflecting some \$61 million of estimated production budgets. Three of these projects had been certified with spending eligible for tax credit of \$1.5 million and \$303,000 of tax credits granted.

Senate
 13.5.1 >= \$500,000 Annual Fiscal Cost
 13.5.2 >= \$500,000 Annual Tax or Fee Change

House
 6.8(F) >= \$500,000 Annual Fiscal Cost
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

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Legislative Fiscal Officer