
DIGEST

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Arnold

HB No. 44

Abstract: Authorizes the inclusion of fees and interest paid to a La.-domiciled and headquartered financial institution within the definition of production expenditures. Provides for a tax credit for certain expenditures for certain out-of-state property and services which are unavailable, cost-prohibitive, or nonexistent in La. Extends the deadline for eligibility for certain infrastructure tax credits from 12/31/08 to 12/31/09.

Present law defines the term "production expenditures", for purposes of the motion picture investor tax credit, to mean preproduction, production, and postproduction expenditures directly incurred in this state that are directly used in a state-certified production, and includes an illustrative listing of eligible expenditures.

Proposed law provides that fees and interest paid to a La.-domiciled and headquartered financial institution shall be considered "production expenditures".

Present law provides for a credit against state income tax for certain state-certified motion picture infrastructure projects which are approved by the office of entertainment industry development, the secretary of the Department of Economic Development, and the division of administration. The tax credit shall be equal to 40% of the base investment expended in this state on such project which is in excess of \$300,000.

Proposed law provides that for all tangible personal property or services which are not obtainable in this state because of unavailability, excessive cost, or nonexistence, the credit shall be equal to the following amounts:

- 1) 15% on all expenditures between 7/1/08 and 12/31/09.
- 2) 10% on all expenditures between 1/1/10 and 12/31/11.
- 3) 5% on all expenditures between 1/1/12 and 12/31/13.

Present law provides that no infrastructure tax credit shall be allowed for expenditures made after 12/31/08, unless 50% of total base investment provided for in the initial certification of the project has been expended prior to that date.

Proposed law extends the deadline of present law from 12/31/08 to 12/31/10.

Effective July 1, 2008.

(Amends R.S. 47:6007(B)(9) and (C)(2)(a) and (c)(iv))