

HB0162S01 compared with HB0162

~~{deleted text}~~ shows text that was in HB0162 but was deleted in HB0162S01.

inserted text shows text that was not in HB0162 but was inserted into HB0162S01.

DISCLAIMER: This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will NOT be completely accurate. Therefore, you need to read the actual bills. This automatically generated document could contain inaccuracies caused by: limitations of the compare program; bad input data; or other causes.

Representative Jeremy A. Peterson proposes the following substitute bill:

MOTION PICTURE ~~{TAX CREDIT}~~INCENTIVES AMENDMENTS

2016 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jeremy A. Peterson

Senate Sponsor: _____

LONG TITLE

General Description:

This bill addresses ~~{income tax credits}~~motion picture incentives.

Highlighted Provisions:

This bill:

- ▶ ~~{phases out corporate and individual income tax credits for}~~amends reporting requirements associated with incentives for state-approved productions by a motion picture ~~{productions in the state; and~~
→ ~~makes technical and conforming changes}~~company.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

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Utah Code Sections Affected:

AMENDS:

~~{ 59-7-614.5, as last amended by Laws of Utah 2015, Chapter 283~~

~~— 59-10-1108, as last amended by Laws of Utah 2015, Chapter 283~~

~~‡ 63N-8-103, as renumbered and amended by Laws of Utah 2015, Chapter 283~~

Be it enacted by the Legislature of the state of Utah:

Section 1. Section ~~{59-7-614.5}~~63N-8-103 is amended to read:

~~{ 59-7-614.5. Refundable motion picture tax credit.~~

~~— (1) As used in this section:~~

~~— (a) "Motion picture company" means a taxpayer that meets the definition of a motion picture company under Section 63N-8-102.~~

~~— (b) "Office" means the Governor's Office of Economic Development.~~

~~— (c) "State-approved production" has the same meaning as that term is defined in Section 63N-8-102.~~

~~— (2) For a taxable [years] year beginning on or after January 1, 2009, a motion picture company may claim a refundable tax credit for a state-approved production in accordance with Section 63N-8-103.~~

~~— (3) The tax credit under this section is the amount listed as the tax credit amount on the tax credit certificate that the office issues to a motion picture company under Section 63N-8-103 for the taxable year.~~

~~— (4) (a) In accordance with any rules prescribed by the commission under Subsection (4)(b), the commission shall make a refund to a motion picture company that claims a tax credit under this section if the amount of the tax credit exceeds the motion picture company's tax liability for a taxable year.~~

~~— (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules providing procedures for making a refund to a motion picture company as required by Subsection (4)(a).~~

~~— [(5) (a) On or before October 1, 2014, and every five years after October 1, 2014, the Revenue and Taxation Interim Committee shall study the tax credit allowed by this section and make recommendations to the Legislative Management Committee concerning whether the tax~~

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~~credit should be continued, modified, or repealed.]~~

~~—— [(b) For purposes of the study required by this Subsection (5), the office shall provide the following information to the Revenue and Taxation Interim Committee:]~~

~~—— [(i) the amount of tax credit that the office grants to each motion picture company for each calendar year;]~~

~~—— [(ii) the criteria that the office uses in granting the tax credit;]~~

~~—— [(iii) the dollars left in the state, as defined in Section 63N-8-102, by each motion picture company for each calendar year;]~~

~~—— [(iv) the information contained in the office's latest report to the Legislature under Section 63N-8-105; and]~~

~~—— [(v) any other information requested by the Revenue and Taxation Interim Committee.]~~

~~—— [(c) The Revenue and Taxation Interim Committee shall ensure that its recommendations under Subsection (5)(a) include an evaluation of:]~~

~~—— [(i) the cost of the tax credit to the state;]~~

~~—— [(ii) the effectiveness of the tax credit; and]~~

~~—— [(iii) the extent to which the state benefits from the tax credit.]~~

~~—— Section 2. Section 59-10-1108 is amended to read:~~

~~—— **59-10-1108. Refundable motion picture tax credit.**~~

~~—— (1) As used in this section:~~

~~—— (a) "Motion picture company" means a claimant, estate, or trust that meets the definition of a motion picture company under Section 63N-8-102.~~

~~—— (b) "Office" means the Governor's Office of Economic Development.~~

~~—— (c) "State-approved production" has the same meaning as that term is defined in Section 63N-8-102.~~

~~—— (2) For a taxable [years] year beginning on or after January 1, 2009, a motion picture company may claim a refundable tax credit for a state-approved production in accordance with Section 63N-8-103.~~

~~—— (3) The tax credit under this section is the amount listed as the tax credit amount on the tax credit certificate that the office issues to a motion picture company under Section 63N-8-103 for the taxable year.~~

~~—— (4) (a) In accordance with any rules prescribed by the commission under Subsection~~

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~~(4)(b), the commission shall make a refund to a motion picture company that claims a tax credit under this section if the amount of the tax credit exceeds the motion picture company's tax liability for the taxable year.~~

~~———— (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules providing procedures for making a refund to a motion picture company as required by Subsection (4)(a):~~

~~———— [(5) (a) On or before October 1, 2014, and every five years after October 1, 2014, the Revenue and Taxation Interim Committee shall study the tax credit allowed by this section and make recommendations to the Legislative Management Committee concerning whether the tax credit should be continued, modified, or repealed.]~~

~~———— [(b) For purposes of the study required by this Subsection (5), the office shall provide the following information to the Revenue and Taxation Interim Committee:]~~

~~———— [(i) the amount of tax credit the office grants to each taxpayer for each calendar year;]~~

~~———— [(ii) the criteria the office uses in granting a tax credit;]~~

~~———— [(iii) the dollars left in the state, as defined in Section 63N-8-102, by each motion picture company for each calendar year;]~~

~~———— [(iv) the information contained in the office's latest report to the Legislature under Section 63N-8-105; and]~~

~~———— [(v) any other information requested by the Revenue and Taxation Interim Committee.]~~

~~———— [(c) The Revenue and Taxation Interim Committee shall ensure that its recommendations under Subsection (5)(a) include an evaluation of:]~~

~~———— [(i) the cost of the tax credit to the state;]~~

~~———— [(ii) the effectiveness of the tax credit; and]~~

~~———— [(iii) the extent to which the state benefits from the tax credit.]~~

~~———— Section 3. Section ~~63N-8-103~~ is amended to read:~~

~~‡~~ **63N-8-103. Motion Picture Incentive Account created -- Cash rebate incentives -- Refundable tax credit incentives.**

(1) (a) There is created within the General Fund a restricted account known as the Motion Picture Incentive Account, which the office shall use to provide cash rebate incentives for state-approved productions by a motion picture company.

(b) All interest generated from investment of money in the restricted account shall be

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deposited in the restricted account.

(c) The restricted account shall consist of an annual appropriation by the Legislature.

(d) The office shall:

(i) with the advice of the board, administer the restricted account; and

(ii) make payments from the restricted account as required under this section.

(e) The cost of administering the restricted account shall be paid from money in the restricted account.

(2) (a) A motion picture company or digital media company seeking disbursement of an incentive allowed under an agreement with the office shall follow the procedures and requirements of this Subsection (2).

(b) The motion picture company or digital media company shall provide the office with a report identifying and documenting the dollars left in the state [~~or~~] and new state revenues generated by the motion picture company or digital media company for its state-approved production, including any related tax returns by the motion picture company, payroll company, digital media company, or loan-out corporation under Subsection (2)(d).

(c) For a motion picture company, an independent certified public accountant shall:

(i) review the report submitted by the motion picture company; and

(ii) attest to the accuracy and validity of the report, including the amount of dollars left in the state.

(d) The motion picture company, digital media company, payroll company, or loan-out corporation shall provide the office with a document that expressly directs and authorizes the State Tax Commission to disclose the entity's tax returns and other information concerning the entity that would otherwise be subject to confidentiality under Section 59-1-403 or Section 6103, Internal Revenue Code, to the office.

(e) The office shall submit the document described in Subsection (2)(d) to the State Tax Commission.

(f) Upon receipt of the document described in Subsection (2)(d), the State Tax Commission shall provide the office with the information requested by the office that the motion picture company, digital media company, payroll company, or loan-out corporation directed or authorized the State Tax Commission to provide to the office in the document described in Subsection (2)(d).

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(g) Subject to Subsection (3), for a motion picture company the office shall:

(i) review the report from the motion picture company described in Subsection (2)(b) and verify that it was reviewed by an independent certified public accountant as described in Subsection (2)(c); and

(ii) based upon the certified public accountant's attestation under Subsection (2)(c), determine the amount of the incentive that the motion picture company is entitled to under its agreement with the office.

(h) Subject to Subsection (3), for a digital media company, the office shall:

(i) ensure the digital media project results in new state revenue; and

(ii) based upon review of new state revenue, determine the amount of the incentive that a digital media company is entitled to under its agreement with the office.

(i) Subject to Subsection (3), if the incentive is in the form of a cash rebate, the office shall pay the incentive from the restricted account to the motion picture company, notwithstanding Subsections 51-5-3(23)(b) and 63J-1-104(4)(c).

(j) If the incentive is in the form of a refundable tax credit under Section 59-7-614.5 or 59-10-1108, the office shall:

(i) issue a tax credit certificate to the motion picture company or digital media company; and

(ii) provide a duplicate copy of the tax credit certificate to the State Tax Commission.

(k) A motion picture company or digital media company may not claim a motion picture tax credit under Section 59-7-614.5 or 59-10-1108 unless the motion picture company or digital media company has received a tax credit certificate for the claim issued by the office under Subsection (2)(j)(i).

(l) A motion picture company or digital media company may claim a motion picture tax credit on its tax return for the amount listed on the tax credit certificate issued by the office.

(m) A motion picture company or digital media company that claims a tax credit under Subsection (2)(l) shall retain the tax credit certificate and all supporting documentation in accordance with Subsection 63N-8-104(6).

(3) (a) Subject to Subsection (3)(b), the office may issue \$6,793,700 in tax credit certificates under this part ~~{}~~in ~~{}~~for a fiscal year ~~{beginning on or after July 1, 2009, but ending on or before June 30, 2017}~~.

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(b) If the office does not issue tax credit certificates in a fiscal year totaling the amount authorized under Subsection (3)(a), ~~it~~ the office may carry over that amount for issuance in ~~a~~ subsequent fiscal ~~years~~ year until the fiscal year ending on June 30, 2020.

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Legislative Review Note

Office of Legislative Research and General Counsel