

UTAH FILM ECONOMIC INCENTIVES

2021 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Ronald M. Winterton

House Sponsor: Michael L. Kohler

LONG TITLE

General Description:

This bill modifies provisions related to motion picture incentives.

Highlighted Provisions:

This bill:

► changes the maximum amount that the Governor's Office of Economic Development may award in refundable motion picture tax credit certificates during a year.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

63N-8-103, as last amended by Laws of Utah 2019, First Special Session, Chapter 3

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

Section 1. 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



28 Motion Picture Incentive Account, which the office shall use to provide cash rebate incentives
29 for state-approved productions by a motion picture company.

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

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

33 (d) The office shall:

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

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

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

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

41 (b) The motion picture company or digital media company shall provide the office with
42 an incentive request form, provided by the office, identifying and documenting the dollars left
43 in the state and new state revenues generated by the motion picture company or digital media
44 company for state-approved production, including any related tax returns by the motion picture
45 company, payroll company, digital media company, or loan-out corporation under Subsection
46 (2)(d).

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

48 (i) review the incentive request form submitted by the motion picture company; and

49 (ii) provide a report on the accuracy and validity of the incentive request form,
50 including the amount of dollars left in the state, in accordance with the agreed upon procedures
51 established by the office by rule.

52 (d) The motion picture company, digital media company, payroll company, or loan-out
53 corporation shall provide the office with a document that expressly directs and authorizes the
54 State Tax Commission to disclose the entity's tax returns and other information concerning the
55 entity that would otherwise be subject to confidentiality under Section 59-1-403 or Section
56 6103, Internal Revenue Code, to the office.

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

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

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

65 (i) review the incentive request form from the motion picture company described in
66 Subsection (2)(b) and verify that the incentive request form was reviewed by an independent
67 certified public accountant as described in Subsection (2)(c); and

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

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

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

73 (ii) based upon review of new state revenues, determine the amount of the incentive
74 that a digital media company is entitled to under the digital media company's agreement with
75 the office.

76 (i) Subject to Subsection (3), if the incentive is in the form of a cash rebate, the office
77 shall pay the incentive from the restricted account to the motion picture company,
78 notwithstanding Subsections 51-5-3(23)(b) and 63J-1-105(6).

79 (j) If the incentive is in the form of a refundable tax credit under Section 59-7-614.5 or
80 59-10-1108, the office shall:

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

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

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

88 (l) A motion picture company or digital media company may claim a motion picture
89 tax credit on the motion picture company's or the digital media company's tax return for the

90 amount listed on the tax credit certificate issued by the office.

91 (m) A motion picture company or digital media company that claims a tax credit under
92 Subsection (2)(1) shall retain the tax credit certificate and all supporting documentation in
93 accordance with Subsection [63N-8-104](#)(6).

94 (3) (a) Subject to Subsection (3)(b), the office may issue [~~\$6,793,700~~] \$15,000,000 in
95 tax credit certificates under this part in a fiscal year.

96 (b) If the office does not issue tax credit certificates in a fiscal year totaling the amount
97 authorized under Subsection (3)(a), the office may carry over that amount for issuance in
98 subsequent fiscal years.