

Senate File 206 - Introduced

SENATE FILE _____
BY COMMITTEE ON ECONOMIC
GROWTH

(SUCCESSOR TO SSB 1176)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the eligibility for tax credits and income
2 reductions for qualified expenditures under the film,
3 television, and video project promotion program, providing for
4 a fee, and providing an applicability date provision.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
6 TLSB 1235SV 83
7 tw/sc/5

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1 1 Section 1. Section 15.393, subsection 1, unnumbered
1 2 paragraph 1, Code 2009, is amended to read as follows:
1 3 The department shall establish and administer a film,
1 4 television, and video project promotion program that provides
1 5 for the registration of projects to be shot on location in the
1 6 state. A project that is registered under the program is
1 7 entitled to the assistance provided in subsection 2. A fee
1 8 ~~shall not may~~ be charged for registering. The department
1 9 shall not register a project unless the department determines
1 10 that all of the following criteria are met:

1 11 Sec. 2. Section 15.393, subsection 2, paragraph a,
1 12 subparagraph (2), Code 2009, is amended to read as follows:

1 13 (2) A qualified expenditure by a taxpayer is a payment to
1 14 an Iowa resident or an Iowa-based business for the sale,
1 15 rental, or furnishing of tangible personal property or for
1 16 services directly related to the registered project including
1 17 but not limited to aircraft, vehicles, equipment, materials,
1 18 supplies, accounting, animals and animal care, artistic and
1 19 design services, graphics, construction, data and information
1 20 services, delivery and pickup services, labor and personnel,
1 21 lighting, makeup and hairdressing, film, music, photography,
1 22 sound, video and related services, printing, research, site
1 23 fees and rental, travel related to Iowa distant locations,
1 24 trash removal and cleanup, and wardrobe. ~~For the purposes of~~

~~1 25 this subparagraph, "labor and personnel" does not include the~~
~~1 26 director, producers, or cast members other than extras and~~
~~1 27 stand-ins.~~

1 28 (a) For purposes of this subparagraph, "labor and
1 29 personnel" includes compensation paid, in an amount not to
1 30 exceed one million dollars each, to the principal producer,
1 31 the principal director, and the principal cast members,
1 32 provided that the principal producer, director, or cast member
1 33 is an Iowa resident or an Iowa-based business.

1 34 (b) The department of revenue, in consultation with the
1 35 department of economic development, shall by rule establish a
2 1 list of eligible expenditures.

2 2 Sec. 3. Section 15.393, subsection 2, paragraph c, Code
2 3 2009, is amended to read as follows:

2 4 c. ~~For tax years beginning on or after January 1, 2007,~~
2 5 the tax year in which a qualified expenditure occurred, and
2 6 for the ensuing three tax years, a taxpayer may claim a
2 7 reduction in adjusted gross income not to exceed in a tax year
2 8 twenty-five percent of the amount of the qualified expenditure
2 9 for purposes of taxes imposed in chapter 422, divisions II and
2 10 III, for payments received from the sale, rental, or
2 11 furnishing of tangible personal property or services directly
2 12 related to the production of a project registered under this
2 13 section which meets the criteria of a qualified expenditure

2 14 under paragraph "a", subparagraph (2).

2 15 Sec. 4. APPLICABILITY DATE. This Act applies to projects
2 16 registered on or after July 1, 2009.

2 17 EXPLANATION

2 18 This bill relates to the eligibility for tax credits for
2 19 qualified expenditures and deduction from income received from
2 20 certain qualified expenditures under the film, television, and
2 21 video project promotion program.

2 22 The bill allows the department to charge a fee to register
2 23 a project with the program. Current law does not allow a
2 24 registration fee.

2 25 The program currently does not allow salary expenditures
2 26 for directors, producers, and principal cast members to be
2 27 counted as qualified expenditures under the program. The bill
2 28 allows up to \$1 million in compensation for each of these
2 29 persons to be counted toward a taxpayer's qualified
2 30 expenditures if the person is an Iowa resident or Iowa-based
2 31 business.

2 32 The program also currently allows vendors to take a
2 33 reduction in adjusted gross income for qualified expenditures
2 34 in the same year as the expenses are incurred. The bill makes
2 35 the credit available for the tax year in which the
3 1 expenditures were incurred and for three ensuing tax years.

3 2 The bill applies to projects registered on or after July 1,
3 3 2009.

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