SENATE BILL No. 130

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3.1-32.

Synopsis: Media production expenditure tax credit. For purposes of the media production expenditure tax credit, decreases (from $100,000 to $50,000) the amount of qualified production expenditures that must be made on a feature length film or a television series, program, or feature before a taxpayer may qualify for the credit. For purposes of the media production expenditure tax credit, increases the credit percentage from 15%: (1) to 40%, in the case of qualified production expenditures paid to an individual or entity located in an economically distressed municipality or county; or (2) to 35%, in the case of other qualified production expenditures. Provides that the media production expenditure tax credit expires January 1, 2014 (rather than January 1, 2012, under current law).

Effective: January 1, 2012.

Randolph

January 5, 2011, read first time and referred to Committee on Tax and Fiscal Policy.

Introduced

First Regular Session 117th General Assembly (2011)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type.~~

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~*this style type*~~ reconciles conflicts between statutes enacted by the 2010 Regular Session of the General Assembly.

SENATE BILL No. 130

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 6-3.1-32-9, AS AMENDED BY P.L.182-2009(ss), SECTION 208, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 9. (a) Subject to subsection (b), a qualified applicant that:

(1) incurs or makes qualified production expenditures of:

(A) at least ~~one hundred thousand~~ **fifty thousand** dollars ~~($100,000),~~ **($50,000),** in the case of a qualified media production described in section 5(a)(1) of this chapter; or

(B) at least fifty thousand dollars ($50,000), in the case of a qualified media production described in section 5(a)(2), 5(a)(3), 5(a)(4), or 5(a)(5) of this chapter; and

(2) satisfies the requirements of this chapter;

may claim a refundable tax credit as provided in this chapter.

(b) The maximum amount of tax credits that may be allowed under this chapter during a state fiscal year for all taxpayers is two million five hundred dollars ($2,500,000).

SECTION 2. IC 6-3.1-32-10, AS ADDED BY P.L.235-2007,

SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 10. This section applies to a taxpayer that claims qualified production expenditures of less than six million dollars ($6,000,000) in a taxable year for purposes of the tax credit under this chapter. The amount of the tax credit to which a taxpayer is entitled under this chapter equals the product of:

(1) ~~fifteen percent (15%);~~ **a percentage equal to:**

(A) forty percent (40%), in the case of qualified production expenditures paid to an individual or entity located in a municipality or county:

(i) in which twenty-five percent (25%) of the households are below the poverty level as established by the most recent United States decennial census; or

(ii) that has an average rate of unemployment for the most recent eighteen (18) month period for which data is available that is at least one and one-half (1 1/2) times the average statewide rate of unemployment for the same eighteen (18) month period; or

(B) thirty-five percent (35%), in the case of qualified production expenditures that are not described in clause (A); multiplied by

(2) the amount of the taxpayer's qualified production expenditures in the taxable year.

SECTION 3. IC 6-3.1-32-20, AS ADDED BY P.L.235-2007, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 20. (a) A tax credit may not be awarded under this chapter for a taxable year ending after December 31, ~~2011.~~ **2013.**

(b) This chapter expires January 1, ~~2012.~~ **2014.**

SECTION 4. [EFFECTIVE JANUARY 1, 2012] **(a) IC 6-3.1-32-9 and IC 6-3.1-32-10, both as amended by this act, apply to taxable years beginning after December 31, 2011.**

(b) This SECTION expires January 1, 2014.