

RI S 2326, Enacted - Public Law

Rhode Island

SUMMARY: Authorizes motion picture tax credits for a production that does not have its primary location within the state, provided a minimum of a certain sum in state certified production costs are incurred and paid within a certain time period.

Legislative History and Analysis Changes in Bill text reflected as:

~~Text Deleted~~

Text Added

~~Text Vetoed~~

Current Legislative Status 02/05/2020 INTRODUCED.

02/05/2020 To SENATE Committee on FINANCE.

02/21/2020 Scheduled for hearing and/or consideration 02/25/2020.

02/25/2020 From SENATE Committee on FINANCE: Recommended as substituted. 02/26/2020 Placed on Senate Calendar 03/03/2020.

03/03/2020 Passed SENATE. *****To HOUSE. 03/04/2020 To HOUSE Committee on FINANCE.

03/04/2020 Scheduled for hearing and/or consideration 03/10/2020. 03/10/2020 From HOUSE Committee on FINANCE: Recommended passage. 03/10/2020 Placed on House Calendar 03/12/2020.

03/12/2020 Passed HOUSE.

03/12/2020 *****To GOVERNOR.

03/17/2020 Signed by GOVERNOR.

03/17/2020 Public Law No. 2020-006

~

session: Rhode Island 2019-20 Legislative Session cite: 2019 RI S 2326

Enacted - Public Law March 17, 2020 DiPalma

Chapter 006

2020 -- S 2326 SUBSTITUTE A

Enacted 03/17/2020

AN ACT

RELATING TO TAXATION -- MOTION PICTURE PRODUCTION TAX CREDITS

Introduced By: Senators DiPalma, Miller, Ruggerio, Sosnowski, and Murray Date Introduced: February 05, 2020

It is enacted by the General Assembly as follows:

SECTION 1. Section 44-31.2-5 of the General Laws in Chapter 44-31.2 entitled "Motion Picture Production Tax Credits" is hereby amended to read as follows:

44-31.2-5. Motion picture production company tax credit.

(a) A motion picture production company shall be allowed a credit to be computed as provided in this chapter against a tax imposed by chapters 11, 14, 17, and 30 of this title. The amount of the credit shall be thirty percent (30%) of the state-certified production costs incurred directly attributable to activity within the state, provided:

~~(1) that~~ **That** the primary locations are within the state of Rhode Island and the total production budget as defined herein is a minimum of one hundred thousand dollars (\$100,000) ~~;~~ **or**

(2) The motion picture production incurs and pays a minimum of ten million dollars (\$10,000,000) in state certified production costs within a twelve (12) month period.

The credit shall be earned in the taxable year in which production in Rhode Island is completed, as determined by the film office in final certification pursuant to Section 44-31.2-6(c).

(b) For the purposes of this section: "total production budget" means and includes the motion picture production company's pre-production, production, and post-production costs incurred for the production activities of the motion picture production company in Rhode Island in connection with the production of a state-certified production. The budget shall not include costs associated with the promotion or marketing of the film, video, or television product.

(c) Notwithstanding subsection (a) of this section, the credit shall not exceed seven million dollars (\$7,000,000) and shall be allowed against the tax for the taxable period in which the credit is earned and can be carried forward for not more than three (3) succeeding tax years. Pursuant to rules promulgated by the tax administrator, the administrator may issue a waiver of the seven million dollars (\$7,000,000) tax credit cap for any feature-length film or television series up to the remaining funds available pursuant to section (e) of this section.

(d) Credits allowed to a motion picture production company, which is a subchapter S corporation, partnership, or a limited-liability company that is taxed as a partnership, shall be passed through respectively to persons designated as partners, members, or owners on a pro rata basis or pursuant to an executed agreement among such persons designated as subchapter S corporation shareholders, partners, or members documenting an alternate distribution method without regard to their sharing of other

tax or economic attributes of such entity.

- (e) No more than fifteen million dollars (\$15,000,000) in total may be issued for any tax year beginning after December 31, 2007, for motion picture tax credits pursuant to this chapter and/or musical and theatrical production tax credits pursuant to chapter 31.3 of this title. After December 31, 2019, no more than twenty million dollars (\$20,000,000) in total may be issued for any tax year for motion picture tax credits pursuant to this chapter and/or musical and theater production tax credits pursuant to chapter 31.3 of this title. Said credits shall be equally available to motion picture productions and musical and theatrical productions. No specific amount shall be set aside for either type of production.

SECTION 2. This act shall take effect upon passage.