

MO S 367, Introduced

Missouri

SUMMARY: Establishes the Show Missouri Film and Digital Media Act.

Legislative History and Analysis Changes in Bill text reflected as:

~~Text Deleted~~

Text Added

~~Text Vetoed~~

Current Legislative Status 01/11/2021 INTRODUCED.

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Introduced January 11, 2021 Hoskins D

FIRST REGULAR SESSION SENATE BILL NO. 367

101ST GENERAL ASSEMBLY INTRODUCED BY SENATOR HOSKINS. AN ACT

To repeal section 135.750, RSMo, and to enact in lieu thereof one new section relating to tax credits for qualified film projects.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Section 135.750, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 135.750, to read as follows:

135.750. 1. *This act shall be referred to as the "Show Missouri Film and Digital Media Act".*

2. As used in this section, the following terms mean:

- (1) "Highly compensated individual", any individual who receives compensation in excess of ~~one million~~ *two hundred fifty thousand* dollars in connection with a single qualified film production project;
- (2) "Qualified film production project", any film, video, commercial, or television production, as approved by the department of economic development and the office of the Missouri film commission, *that features a statement or logo designated by the department of economic development in the credits of the film indicating that the project was filmed in Missouri and* that is under thirty minutes in length with an expected in-state expenditure budget in excess of fifty thousand dollars ~~,~~ or ~~that~~ is over thirty minutes in length with an expected in-state expenditure budget in excess of one hundred thousand dollars. Regardless of the production costs, "qualified film production project" shall not include any:
 - (a) News or current events programming;

- (b) Talk show;
 - (c) Production produced primarily for industrial, corporate, or institutional purposes, and for internal use;
 - (d) Sports event or sports program;
 - (e) Gala presentation or awards show;
 - (f) Infomercial or any production that directly solicits funds;
 - (g) Political ad;
 - (h) Production that is considered obscene, as defined in section 573.010;
- (3) “Qualifying **in-state** expenses”, the sum of the total amount spent in this state for the following by a production company in connection with a qualified film production project:
- (a) Goods and services leased or purchased by the production company. For goods with a purchase price of twenty-five thousand dollars or more, the amount included in qualifying **in-state** expenses shall be the purchase price less the fair market value of the goods at the time the production is completed;
 - (b) Compensation and wages paid by the production company **to Missouri residents** on which the production company remitted withholding payments to the department of revenue under chapter 143. For purposes of this section, compensation and wages shall not include any amounts paid to a highly compensated individual;
- (4) **“Qualifying out-of-state expenses”, the sum of all compensation and wages paid by the production company to non-Missouri residents on which the production company remitted withholding payments to the department of revenue under chapter 143. For purposes of this section, compensation and wages shall not include any amounts paid to a highly compensated individual;**
- (5) “Tax credit”, a credit against the tax otherwise due under chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, or otherwise due under chapter 148;
- ~~(5)~~ (6) “Taxpayer”, any individual, partnership, or corporation as described in section 143.441, 143.471, or section 148.370 that is subject to the tax imposed in chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, or the tax imposed in chapter 148 or any charitable organization which is exempt from federal income tax and whose Missouri unrelated business taxable income, if any, would be subject to the state income tax imposed under chapter 143.
- 2-3. (1)** For all **taxable tax** years beginning on or after January 1, 1999, but ending on or before December 31, 2007, a taxpayer shall be granted a tax credit for up to fifty percent of the amount of investment in production or production-related activities in any film production project with an expected in-state expenditure budget in excess of three hundred thousand dollars.
- (2)** For all **taxable tax** years beginning on or after January 1, 2008, **but ending on or before November 28, 2013**, a taxpayer shall be allowed a tax credit for up to

thirty-five percent of the amount of qualifying expenses in a qualified film production project.

(3) For all tax years beginning on or after January 1, 2021, a taxpayer shall be allowed a tax credit equal to twenty-five percent of qualifying in-state expenses and ten percent of qualifying out-of-state expenses. An additional five percent may be earned for both qualifying in-state expenses and qualifying out-of-state expenses if at least fifty percent of the qualified film production project is filmed in Missouri. An additional five percent may be earned for both qualifying in-state expenses and qualifying out-of-state expenses if the department of economic development determines that the script of the qualified film production project positively markets a city or region of the state, the entire state, or a tourist attraction located in the state.

Each film production company shall be limited to one qualified film production project per year. Activities qualifying a taxpayer for the tax credit pursuant to this subsection shall be approved by the office of the Missouri film commission and the department of economic development.

~~3.~~ **4.** Taxpayers shall apply for the film production tax credit by submitting an application to the department of economic development, on a form provided by the department. As part of the application, the expected in-state expenditures of the qualified film production project shall be documented. In addition, the application shall include an economic impact statement, showing the economic impact from the activities of the film production project. Such economic impact statement shall indicate the impact on the region of the state in which the film production or production-related activities are located and on the state as a whole.

~~4.~~ **5.** For all ~~taxable tax~~ years ending on or before December 31, 2007, tax credits certified pursuant to subsection ~~2 3~~ of this section shall not exceed one million dollars per taxpayer per year, and shall not exceed a total for all tax credits certified of one million five hundred thousand dollars per year. For all ~~taxable tax~~ years beginning on or after January 1, 2008, tax credits certified under subsection 1 of this section shall not exceed a total for all tax credits certified of four million five hundred thousand dollars per year. Taxpayers may carry forward unused credits for up to five tax periods, provided all such credits shall be claimed within ten tax periods following the tax period in which the film production or production-related activities for which the credits are certified by the department occurred.

~~5.~~ **6.** Notwithstanding any provision of law to the contrary, any taxpayer may sell, assign, exchange, convey or otherwise transfer tax credits allowed in subsection ~~2 3~~ of this section. The taxpayer acquiring the tax credits may use the acquired credits to offset the tax liabilities otherwise imposed by chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, or chapter 148. Unused acquired credits may be carried forward for up to five tax periods, provided all such credits shall be claimed within ten tax periods following the tax period in which the film production or production-related activities for which the credits are certified by the department occurred.

~~6-7.~~ Under section 23.253 of the Missouri sunset act:

(1) The provisions of the ~~new~~ program authorized under this section shall automatically sunset ~~six years after November 28, 2007~~ **on December 31, 2027**, unless reauthorized by an act of the general assembly; and

(2) If such program is reauthorized, the program authorized under this section shall automatically sunset **on December thirty-first** twelve years after the effective

date of the reauthorization of this section; and

- (3) This section shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset.