

MD H 432 , Introduced

Maryland

AN ACT concerning

Changes in Bill text reflected as:

~~Text Deleted~~

Text Added

~~Text Vetoed~~

session: Maryland 2022 Regular Session - 442nd Session of the General Assembly

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Introduced

January 20, 2022

Wells

HOUSE BILL 432

By: Delegate Wells

Introduced and read first time: January 20, 2022

Assigned to: Ways and Means

A BILL ENTITLED

Income Tax - Film Production Activity Tax Credit - Alterations

FOR the purpose of altering the aggregate amount of film production activity tax credit certificates that the Secretary of Commerce may issue each fiscal year; and generally relating to the film production activity tax credit.

BY repealing and reenacting, without amendments,

Article - Tax - General

Section 10-730(a)(1), (3), and (6) and (b)

Annotated Code of Maryland

(2016 Replacement Volume and 2021 Supplement)

BY repealing and reenacting, with amendments,

Article - Tax - General

Section 10-730(f)

Annotated Code of Maryland

(2016 Replacement Volume and 2021 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article - Tax - General

10-730.

(a) (1) In this section the following words have the meanings indicated.

(3) (i) "Film production activity" means:

1. the production of a film or video project that is intended for nationwide commercial distribution; and

2. for a television series, each season of the television series.

(ii) "Film production activity" includes the production of:

1. a feature film;
2. a television project;
3. a commercial;
4. a corporate film; or
5. a music video.

(iii) "Film production activity" does not include production of:

1. a student film;
2. a noncommercial personal video;
3. a sports broadcast;
4. a broadcast of a live event;
5. a talk show;
6. a video, computer, or social networking game;
7. pornography;
8. an infomercial;
9. a digital project;
10. an animation project; or
11. a multimedia project.

(6) "Qualified film production entity" means an entity that:

(i) is carrying out a film production activity; and

(ii) the Secretary determines to be eligible for the tax credit under this section in accordance with subsection (c) of this section.

(b) (1) A qualified film production entity may claim a credit against the State income tax for film production activities in the State in an amount equal to the amount stated in the final tax credit certificate approved by the Secretary for film production activities.

(2) If the tax credit allowed under this section in any taxable year exceeds the total tax otherwise payable by the qualified film production entity for that taxable year, the qualified film production entity may claim a refund in the amount of the excess.

(f) (1) Except as provided in paragraph (2) of this subsection, the Secretary may not issue tax credit certificates for credit amounts in the aggregate totaling more than:

(i) for fiscal year 2014, \$25,000,000;

(ii) for fiscal year 2015, \$7,500,000;

(iii) for fiscal year 2016, \$7,500,000;

(iv) for fiscal year 2019, \$8,000,000;

(v) for fiscal year 2020, \$11,000,000; ~~and~~

(vi) for **EACH OF** fiscal ~~year~~ **YEARS** 2021 and ~~each fiscal year thereafter 2022~~ , \$12,000,000 ;

(VII) FOR FISCAL YEAR 2023, \$25,000,000; AND

(VIII) FOR FISCAL YEAR 2024 AND EACH FISCAL YEAR THEREAFTER, \$50,000,000 .

(2) If the aggregate credit amounts under the tax credit certificates issued by the Secretary total less than the maximum provided under paragraph (1) of this subsection in any fiscal year, any excess amount may be carried forward and issued under tax credit certificates in a subsequent fiscal year.

(3) The Secretary may not issue tax credit certificates for credit amounts totaling more than \$10,000,000 in the aggregate for a single film production activity.

(4) (i) For fiscal year 2019 and each fiscal year thereafter, the Secretary shall make 10% of the credit amount authorized under paragraph (1) of this subsection available for Maryland small or independent film entities.

(ii) If the total amount of credits applied for by Maryland small or independent film entities is less than the amount made available under subparagraph (i) of this paragraph, the Secretary shall make available the unused amount of credits for use by qualified film production entities.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2022, and shall be applicable to all taxable years beginning after December 31, 2021.