

OR D 161 , Filed

Oregon

SUMMARY: Modifies provisions of tax laws; increases expense reimbursement percentage allowed to single film or single local media production project from the State Production Investment Fund; applies to fiscal years beginning on or after July 1, 2022; extends availability of income tax credit for rural medical providers to certain medical laboratory scientists and medical laboratory technicians.~SAME AS:

Changes in Bill text reflected as:

~~Text Deleted~~

Text Added

~~Text Vetoed~~

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Senate Committee on Finance and Revenue

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2022 Regular Session

1/10/21 (CMT/ps)

DRAFT

SUMMARY

Modifies provisions of tax laws.

Increases expense reimbursement percentage allowed to single film or single local media production project from Oregon Production Investment Fund. Applies to fiscal years beginning on or after July 1, 2022.

Extends availability of income tax credit for rural medical providers to certain medical laboratory scientists and medical laboratory technicians. Applies to tax years beginning on or after January 1, 2022.

For purposes of pass-through business alternative income tax, disallows credit for taxes paid to another state and authorizes Department of Revenue to require estimated payments. Applies to tax years beginning on or after January 1, 2022, and before January 1, 2024, and to estimated payments due on and after June 15, 2022.

Increases limit on Multistate Tax Commission Revolving Account.

Lowers income threshold for occupants for property tax exemptions that county may adopt for newly constructed single-family dwelling.

Requires Department of Revenue to waive penalty or interest due to underpayment or underreporting resulting from authorization of required estimated payments.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

Relating to taxation; creating new provisions; amending ORS 284.368, 305.685, 315.616, 317A.100 and 317A.137 and section 2, chapter 527, Oregon Laws 2021, and sections 3 and 5,

chapter 589, Oregon Laws 2021; and prescribing an effective date.

Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 284.368 is amended to read:

284.368. (1) As used in this section:

(a) "Actual Oregon expenses" means the costs paid in Oregon for principal photography, production or postproduction in Oregon of a film, or for media production services, including but not limited to the purchase or rental cost of equipment, food, lodging, real property and permits and payments made for salaries, wages and benefits for work in Oregon.

(b) "Film" means a television movie or one or more episodes of a single television series, or a movie produced for release to theaters, video or the Internet. "Film" does not include the production of a commercial or one or more segments of a newscast or sporting event.

(c) "Filmmaker" means a person who owns a television or film production company.

(d) "Local filmmaker" means a person who owns a television or film production company that has its principal place of business in this state.

(e) "Local media production project" means, if made or performed by a local media production services company, a single interactive video game or a portion thereof, or postproduction services for a single film.

(f) "Local media production services company" means a media production services company that has its principal place of business in this state.

(g) "Media production services" includes postproduction services and interactive video game development. "Media production services" does not include the production of a commercial or one or more segments of a newscast or sporting event.

(h) "Media production services company" means a person who is engaged in media production services.

(i) "Portland metropolitan zone" means the area within a 30-mile radius of the center of the Burnside Bridge in Portland.

(j) "Resident of this state" has the meaning given that term in ORS 316.027.

(2)(a) The Oregon Business Development Department may reimburse a filmmaker or local media production services company for a portion of the actual Oregon expenses incurred by the filmmaker or local media production services company.

(b) Maximum reimbursement for a single film or a single local media production project shall be the total of:

(A) ~~10~~ **20** percent of payments made for employee salaries, wages and benefits for work done in Oregon; and

(B) ~~20~~ **25** percent of all other actual Oregon expenses.

(c) Notwithstanding paragraph (b) of this subsection, maximum reimbursement for a single film may not exceed 50 percent of total moneys received by the Oregon Production Investment Fund during the biennium in which the actual Oregon expenses are incurred.

(d) To qualify for reimbursement under this subsection, total actual Oregon expenses for a film or a local media production project must equal or exceed \$1 million.

(3)(a) The department may reimburse a local filmmaker or local media production services company for all or a portion of the actual Oregon expenses, up to \$1 million, incurred by the local filmmaker or local media production services company.

(b) To qualify for reimbursement under this subsection:

(A) Total actual Oregon expenses paid for the film or media production services must be at least \$75,000;

(B) The local filmmaker or local media production services company must have spent 80 percent of the film's payroll on employees who are residents of this state; and

(C) The local filmmaker or local media production services company must have employed or contracted with a public accountant certified under ORS 673.040 for the provision of payroll services.

(4) In combination with the reimbursements allowed under subsections (2) and (3) of this section, the department may make an additional payment to a filmmaker for one of the following:

(a) A travel and living expenses rebate of \$200 per employee per day, for any day that a film is shot entirely outside the Portland metropolitan zone, not to exceed \$10,000 per day or \$50,000 per film; or

(b) An increase of 10 percent of the amount otherwise allowable under subsections (2) and (3) of this section, if for at least six days and at least one day more than half of its total shoot days in Oregon the film is shot entirely outside the Portland metropolitan zone.

(5) Reimbursement under this section shall be made from moneys credited to or deposited in the Oregon Production Investment Fund during the biennium in which the actual Oregon expenses were paid or any prior biennium. A reimbursement may not be made to the extent funds are not available in the fund to make the reimbursement.

(6)(a) Total actual Oregon expenses supporting a claim for reimbursement under this section must be verified by the Oregon Film and Video Office. The filmmaker or local media production services company must submit to the office proof of the actual Oregon expenses. The proof must include any documentation that may be required by the office in its discretion to verify the actual Oregon expenses.

(b) The office may charge the filmmaker or local media production services company for costs reasonably incurred to verify the actual Oregon expenses, including but not limited to the cost for a review or audit of the supporting documentation by an accountant or auditor. The office may require the department to deduct the costs incurred by the office in performing its review or audit from any reimbursement made to the filmmaker or local media production services company under this section.

(c) The office may adopt rules that establish a procedure for the submission and verification of actual Oregon expenses.

TEXT OMITTED, DOES NOT PERTAIN TO FILM

SECTION 9. *(1) The amendments to ORS 284.368 by section 1 of this 2022 Act apply to fiscal years beginning on or after July 1, 2022.*

TEXT OMITTED, DOES NOT PERTAIN TO FILM

SECTION 10. *The Department of Revenue may not impose any interest or penalty that would otherwise apply to taxes due if the interest or penalty is based on underpayment or underreporting that results solely from the operation of the amendments to section 5, chapter 589, Oregon Laws 2021, by section 4 of this 2022 Act.*

SECTION 11. *This 2022 Act takes effect on the 91st day after the date on which the 2022 regular session of the Eighty-first Legislative Assembly adjourns sine die.*