

CA SB 756, Amended

California

SUMMARY: Requires the State Film Commission to establish and implement a comprehensive tracking and compliance program to monitor the economic impact of productions receiving motion picture tax credits. Requires credit recipients, for specified taxable years, to submit detailed compliance reports to the Commission that contain, among other things, demographic data of employees and an independent economic impact analysis that assesses the impact of the credits, including the impact on job creation and retention.~SAME AS:

Changes in Bill text reflected as:

~~Text Deleted~~

Text Added

~~Text Vetoed~~

Current Legislative Status

02/21/2025 INTRODUCED.

03/12/2025 To SENATE Committee on REVENUE AND TAXATION.

03/26/2025 From SENATE Committee on REVENUE AND TAXATION with author's amendments.

03/26/2025 In SENATE. Read second time and amended. Re-referred to Committee on REVENUE AND TAXATION.

03/27/2025 Withdrawn from SENATE Committee on REVENUE AND TAXATION.

03/27/2025 Re-referred to SENATE Committee on RULES.

04/02/2025 Re-referred to SENATE Committee on BUSINESS, PROFESSIONS AND ECONOMIC DEVELOPMENT.

04/21/2025 From SENATE Committee on BUSINESS, PROFESSIONS AND ECONOMIC DEVELOPMENT with author's amendments.

04/21/2025 In SENATE. Read second time and amended. Re-referred to Committee on BUSINESS, PROFESSIONS & ECONOMIC DEVELOPMENT.

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session: California 2025-26 Regular Session

cite: 2025 CA SB 756

Amended

April 21, 2025

Smallwood-Cueva

AMENDED IN SENATE March 26, 2025

AMENDED IN SENATE April 21, 2025

CALIFORNIA LEGISLATURE--2025-2026 REGULAR SESSION

Senate Bill

No. 756

Introduced by Senator Smallwood-Cuevas

February 21, 2025

An act to add Section 14998.14 to the Government Code, relating to motion picture tax credits.

LEGISLATIVE COUNSEL'S DIGEST

SB 756, as amended, Smallwood-Cuevas. California Film Commission: motion picture tax credits: tracking and compliance program.

The Personal Income Tax Law and the Corporation Tax Law allow various credits against the taxes imposed by those laws, including numerous motion picture credits. Most recently, existing law, for taxable years beginning on or after January 1, 2025, allows a motion picture credit (motion picture credit 4.0) to be allocated by the California Film Commission on or after July 1, 2025, and before July 1, 2030, in an amount equal to 20% or 25% of qualified expenditures for the production of a qualified motion picture in this state. Existing law establishes the California Film Commission to administer the motion picture credits, to provide services necessary to increase filming in the state, and to implement specified programs related to the motion picture industry, including a program to promote media production in the state.

This bill, upon appropriation by the Legislature, would require the California Film Commission to establish and implement a comprehensive tracking and compliance program to monitor the economic impact of productions receiving motion picture tax credits. The bill would require credit recipients, for taxable years beginning on or after January 1, 2026, to submit detailed compliance reports to the California Film Commission that contain, among other things, demographic data of ~~employees and an~~ **employees. The bill would also require credit recipients to submit specified information to the commission, except as provided, for the purposes of performing an** independent economic impact analysis, conducted every 2 years, that assesses the impact of the credits, including the impact on job creation and retention. The bill would require the commission to impose a monetary penalty on a production that fails to submit the ~~report reports~~ or falsifies ~~its~~ data.

Vote Required: MAJORITY Appropriation: NO Fiscal Committee: YES Local Program: NO Immediate Effect NO Urgency: NO Tax Levy: NO Election: NO Usual Current Expenses: NO Budget Bill: NO Prop 25 Trailer Bill: NO

The people of the State of California do enact as follows:

SECTION 1. Section 14998.14 is added to the Government Code, to read:

14998.14. (a) The California Film Commission shall establish and implement a comprehensive tracking and compliance program to monitor the economic impact of productions receiving motion picture tax credits pursuant to Sections 17053.85, 17053.95, 17053.98, 17053.98.1, 23685, 23695, 23698, and 23698.1 of the Revenue and Taxation Code.

(b) The program shall require credit recipients, for taxable years beginning on or after January 1, 2026, and annually thereafter, to submit detailed compliance reports to the California Film Commission that include, but are not limited to, the following information:

(1) Demographic data for all hired employees, including race, ethnicity, gender, **disability status**, and veteran status.

(2) Geographic data for employees' primary residences by ZIP Code to assess local hiring impacts.

(3) Apprenticeship and trainee utilization reports demonstrating the inclusion of underrepresented groups in film production trades and related industries.

(4) Data for all hired employees relating to prior interactions with the criminal justice system.

~~(4)~~

~~An independent economic impact analysis, to be conducted every two years, that assesses all of the following:~~ (c) **(1) The program shall also require recipients of motion picture tax credits for taxable years beginning on or after January 1, 2026, to submit a final project report within 60 days of the completion of a qualified motion picture. This report shall include information necessary for the commission to conduct an independent economic impact analysis that assesses all of the following:**

(A) Job creation and retention resulting from the credits.

(B) State and local revenue impacts.

(C) Growth in production-related industries.

(D) Disparities in employment or wages among diverse workforce segments.

(2) This subdivision shall not apply with regards to motion picture tax credits received for independent films, as that term is defined in Section 17053.85, 17053.95, 17053.98, 17053.98.1, 23685, 23695, 23698, or 23698.1 of the Revenue and Taxation Code, as applicable.

(3) To the extent feasible, the commission shall contract with an academic institution located in California to conduct the analysis. If no academic institution is available or willing to partner, the commission may instead contract with an independent third-party research organization based in the state.

(4) The analysis required by this subdivision shall be performed every two years.

~~(e)~~

(d) The commission shall impose a monetary penalty, in an amount determined by the severity of noncompliance, on a production that fails to submit ~~the a~~ report specified in subdivision (b) ***or (c)*** or that falsifies data in ~~the a~~ report specified in subdivision ~~(b)~~ ***(b) or (c).***

~~(d)~~

(e) The commission shall publish an annual compliance report, in accordance with Section 9795, summarizing the collected data, trends in diversity and economic impact, and recommendations for program improvements. The report shall be made publicly available on the commission's website.

~~(e)~~

(f) The commission may adopt regulations necessary for implementing this section, including guidelines for data collection, enforcement mechanisms, and periodic review processes.

~~(f)~~

(g) This section shall become operative upon an appropriation by the Legislature for purposes of the program.