

STATE OF OKLAHOMA

2nd Session of the 48th Legislature (2002)

SENATE BILL 1434

By: Leftwich of the Senate

and

Winchester of the House

AS INTRODUCED

An Act relating to revenue and taxation; amending 68 O.S. 2001, Sections 3623 and 3624, which relate to the Compete with Canada Film Act; modifying definition; modifying terminology; correcting statutory references; providing an effective date; and declaring an emergency.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 68 O.S. 2001, Section 3623, is amended to read as follows:

Section 3623. As used in ~~this act~~ the Compete with Canada Film Act:

1. "Expenditure" or "production cost" includes but is not limited to:

- a. wages or salaries of persons who are residents of this state and who have earned income from working on a film in this state, including payments to personal services corporations with respect to the services of qualified performing artists, as determined under Section 62(a)(A) of the Internal Revenue Code,
- b. the cost of construction and operations, wardrobe, accessories and related services,

- c. the cost of photography, sound synchronization, lighting and related services,
- d. the cost of editing and related services,
- e. rental of facilities and equipment, and
- f. other direct costs of producing a film;

2. "Film" means a professional single media ~~or~~, multimedia program or feature, which is not child pornography as defined in subsection A of Section 1024.1 of Title 21 of the Oklahoma Statutes or obscene material as defined in paragraph 1 of subsection B of Section 1024.1 of Title 21 of the Oklahoma Statutes, including but not limited to, national advertising messages that are broadcast on a national affiliate or cable network, fixed on film or digital video, which can be viewed or reproduced and which is exhibited in theaters, licensed for exhibition by individual television stations, groups of stations, networks, cable television stations or other means or licensed for home viewing markets; and

3. "Production company" means a person who produces film for exhibition in theaters, on television or elsewhere.

SECTION 2. AMENDATORY 68 O.S. 2001, Section 3624, is amended to read as follows:

Section 3624. A. There is hereby created the Oklahoma Film Enhancement Rebate Program. Subject to the availability of funds in the Oklahoma Film Enhancement Rebate Program Revolving Fund created in Section ~~5~~ 3625 of this ~~act~~ title, a rebate in the amount of fifteen percent (15%) of documented expenditures made in Oklahoma directly attributable to the production of a ~~long-form narrative~~ film or television production, as defined in Section 3623 of this title, in this state, may be paid to the production company responsible for the production if the Office of the Oklahoma Film ~~Office~~ and Music Commission determines that the proposed project has a reasonable chance of economic success.

B. The rebate program shall be administered by the Office of the Oklahoma Film Office and Music Commission and the Oklahoma Tax Commission, as provided in ~~this act~~ the Compete with Canada Film Act.

C. To be eligible for a rebate payment, the production company responsible for a ~~long-form narrative~~ film or television production, as defined in Section 3623 of this title, made in this state shall submit documentation to the Office of the Oklahoma Film Office and Music Commission of the amount of wages paid for employment in this state by residents of this state directly relating to the production and the amount of other production costs incurred in this state directly relating to the production. To be eligible for a rebate payment, the production company shall also file an Oklahoma income tax return. A production company shall not be eligible to receive both a rebate payment pursuant to the provisions of this act and an exemption from sales taxes pursuant to the provisions of paragraph 21 of Section 1357 of ~~Title 68 of the Oklahoma Statutes~~ this title. If a production company has received such an exemption from sales taxes and submits a claim for rebate pursuant to the provisions of ~~this act~~ the Compete with Canada Film Act, the company shall be required to fully repay the amount of the exemption to the ~~Oklahoma~~ Tax Commission. A claim for a rebate shall include documentation from the Tax Commission that repayment has been made as required herein or shall include an affidavit from the production company that the company has not received an exemption from sales taxes pursuant to the provisions of paragraph 21 of Section 1357 of ~~Title 68 of the Oklahoma Statutes~~ this title. To be eligible for a rebate, the production company shall also submit a completion bond to the Office of the Oklahoma Film and Music Commission.

D. The ~~Oklahoma Film~~ Office shall approve or disapprove all claims for rebate and shall notify the ~~Oklahoma~~ Tax Commission. The Tax Commission shall issue payment for all approved claims from

funds in the Oklahoma Film Enhancement Rebate Program Revolving Fund created in Section ~~5~~ 3625 of this ~~act~~ title. The amount of payments in any single fiscal year shall not exceed Two Million Dollars (\$2,000,000.00). If the amount of approved claims exceeds the amount of monies available for the making of rebate payments in the fund or exceeds the amount specified in this subsection in a fiscal year, payments shall be made in the order in which the claims are approved by the ~~Oklahoma Film~~ Office. If an approved claim is not paid in whole or in part, the unpaid claim or unpaid portion may be paid in the following fiscal year subject to the limitations specified in this subsection.

SECTION 3. This act shall become effective July 1, 2002.

SECTION 4. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

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