

EHB 1716

THE STATE SENATE
Monday, March 28, 2005

ENGROSSED

House Bill No. 1716

As Amended

ENGROSSED HOUSE BILL NO. 1716 - By: WINCHESTER, DORMAN, ARMES,
NANCE, SHERRER and DANK of the House and LEFTWICH of the Senate.

**[revenue and taxation - tax credit - reinvestment in
production of film - defining terms - codification -
emergency]**

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

SECTION 1. NEW LAW A new section of law to be codified
in the Oklahoma Statutes as Section 2357.101 of Title 68, unless
there is created a duplication in numbering, reads as follows:

A. For taxable years beginning after December 31, 2004, there
shall be allowed against the tax imposed by Section 2355 of Title 68
of the Oklahoma Statutes, a credit equal to twenty-five percent (25%)
of the amount of profit made by a taxpayer from investment in an
existing Oklahoma film or music project with a production company to
pay for production costs that is reinvested by the taxpayer with the
production company to pay for the production cost of the production
company for a new Oklahoma film or music project.

B. In no event shall the amount of the credit provided for in
subsection A of this section for an eligible taxpayer exceed the tax
liability of the taxpayer in a calendar year.

1 C. The Oklahoma Tax Commission shall have the authority to
2 prescribe forms for purposes of claiming the credit authorized in
3 subsection A of this section. The forms shall include, but not be
4 limited to requests for information that prove who the investment
5 was with, the amount of the original investment and the amount of
6 the profit realized from the investment.

7 D. As used in this section:

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

19 2. "Music project" means a professional recording released on a
20 national or international level, whether via traditional
21 manufacturing or distributing or electronic distribution, using
22 technology currently in use or future technology, including but not

1 limited to, music CDs, radio commercials, jingles, cues, or
2 electronic device recordings;

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

5 4. "Production cost" includes but is not limited to:

- 6 a. wages or salaries of persons who have earned income
7 from working on a film or music project in this state,
8 including payments to personal services corporations
9 with respect to the services of qualified performing
10 artists, as determined under Section 62(a)(A) of the
11 Internal Revenue Code,
12 b. the cost of construction and operations, wardrobe,
13 accessories and related services,
14 c. the cost of photography, sound synchronization,
15 lighting and related services,
16 d. the cost of editing and related services,
17 e. rental of facilities and equipment, and
18 f. other direct costs of producing a film or music
19 project.

20 SECTION 2. It being immediately necessary for the preservation
21 of the public peace, health and safety, an emergency is hereby
22 declared to exist, by reason whereof this act shall take effect and
23 be in full force from and after its passage and approval.

1 COMMITTEE REPORT BY: COMMITTEE ON FINANCE, dated 3-22-05 - DO PASS,
2 As Amended.