

STATE OF OKLAHOMA

1st Session of the 50th Legislature (2005)

HOUSE BILL 1716

By: Winchester

AS INTRODUCED

An Act relating to revenue and taxation; authorizing credit against state income tax for reinvestment of certain funds in production of a film project; limiting amount of credit; authorizing prescription of certain forms by Oklahoma Tax Commission; defining terms; providing for codification; and providing an effective date.

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, 2005, 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 film 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 film 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.

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

D. As used in this section:

1. "Film" means a professional single media, 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;

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

3. "Production cost" includes but is not limited to:

- a. wages or salaries of persons 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.

SECTION 2. This act shall become effective January 1, 2006.

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