

1 STATE OF OKLAHOMA

2 1st Session of the 54th Legislature (2013)

3 COMMITTEE SUBSTITUTE
4 FOR

5 SENATE BILL NO. 1126

By: Jolley and Justice of the
Senate

6 and

7 Martin (Scott) and Newell
8 of the House

9 COMMITTEE SUBSTITUTE

10 An Act relating to tax rebates; amending 68 O.S.
11 2011, Sections 3624 and 3626, which relate to the
12 Compete With Canada Film Act; modifying rebate
13 percentage during specified time period; modifying
14 cap on rebate amounts during specified time period;
15 modifying termination date; providing an effective
16 date; and declaring an emergency.

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

18 SECTION 1. AMENDATORY 68 O.S. 2011, Section 3624, is
19 amended to read as follows:

20 Section 3624. A. There is hereby created the Oklahoma Film
21 Enhancement Rebate Program. A rebate ~~in the amount of up to~~
22 ~~seventeen percent (17%)~~ which is a percentage of documented
23 expenditures made in Oklahoma directly attributable to the
24 production of a film, television production, or television
commercial, as defined in Section 3623 of this title, in this state,
may be paid to the production company responsible for the

1 production. ~~Provided, for~~ For documented expenditures made after
2 July 1, 2009, and before July 1, 2013, the rebate amount shall be
3 thirty-five percent (35%) and for such expenditures made on or after
4 July 1, 2013, the rebate amount shall be twenty-five percent (25%),
5 except as provided in subsection B of this section.

6 B. The amount of rebate paid to the production company as
7 provided for in subsection A of this section shall be increased by
8 an additional two percent (2%) of documented expenditures if a
9 production company spends at least Twenty Thousand Dollars
10 (\$20,000.00) for the use of music created by an Oklahoma resident
11 that is recorded in Oklahoma or for the cost of recording songs or
12 music in Oklahoma for use in the production.

13 C. The rebate program shall be administered by the Office of
14 the Oklahoma Film and Music Commission and the Oklahoma Tax
15 Commission, as provided in the Compete with Canada Film Act.

16 D. To be eligible for a rebate payment:

17 1. The production company responsible for a film, television
18 production, or television commercial, as defined in Section 3623 of
19 this title, made in this state shall submit documentation to the
20 Office of the Oklahoma Film and Music Commission of the amount of
21 wages paid for employment in this state to residents of this state
22 directly relating to the production and the amount of other
23 production costs incurred in this state directly relating to the
24 production;

1 2. The production company has filed or will file any Oklahoma
2 tax return or tax document which may be required by law;

3 3. Except major studio productions, the production company
4 shall provide the name of the completion guarantor and a copy of the
5 bond guaranteeing the completion of the project or if a film has not
6 secured a completion bond, the production company shall provide
7 evidence that all Oklahoma crew and local vendors have been paid and
8 there are no liens against the production company pending in the
9 state;

10 4. The minimum budget for the film shall be Fifty Thousand
11 Dollars (\$50,000.00) of which not less than Twenty-five Thousand
12 Dollars (\$25,000.00) shall be expended in this state;

13 5. The production company shall provide evidence of financing
14 for production prior to the commencement of principal photography;
15 and

16 6. The production company shall provide evidence of a
17 certificate of general liability insurance with a minimum coverage
18 of One Million Dollars (\$1,000,000.00) and a workers' compensation
19 policy pursuant to state law, which shall include coverage of
20 employer's liability.

21 E. A production company shall not be eligible to receive both a
22 rebate payment pursuant to the provisions of this act and an
23 exemption from sales taxes pursuant to the provisions of paragraph
24 21 of Section 1357 of this title. If a production company has

1 received such an exemption from sales taxes and submits a claim for
2 rebate pursuant to the provisions of the Compete with Canada Film
3 Act, the company shall be required to fully repay the amount of the
4 exemption to the Tax Commission. A claim for a rebate shall include
5 documentation from the Tax Commission that repayment has been made
6 as required herein or shall include an affidavit from the production
7 company that the company has not received an exemption from sales
8 taxes pursuant to the provisions of paragraph 21 of Section 1357 of
9 this title.

10 F. The Office shall approve or disapprove all claims for rebate
11 and shall notify the Tax Commission. The Tax Commission shall, upon
12 notification of approval from the Office of the Film and Music
13 Commission, issue payment for all approved claims from funds in the
14 Oklahoma Film Enhancement Rebate Program Revolving Fund created in
15 Section 3625 of this title. Provided, no claims for rebate for
16 expenditures made on or after July 1, 2009, shall be paid prior to
17 July 1, 2010. The amount of payments in any single fiscal year
18 shall not exceed Five Million Dollars (\$5,000,000.00) for fiscal
19 years ending on or before June 30, 2013, and Eight Million Dollars
20 (\$8,000,000.00) for fiscal years beginning on or after July 1, 2013.

21 If the amount of approved claims exceeds the amount specified in
22 this subsection in a fiscal year, payments shall be made in the
23 order in which the claims are approved by the Office. If an
24 approved claim is not paid in whole or in part, the unpaid claim or

1 unpaid portion may be paid in the following fiscal year subject to
2 the limitations specified in this subsection.

3 SECTION 2. AMENDATORY 68 O.S. 2011, Section 3626, is
4 amended to read as follows:

5 Section 3626. The provisions of the Compete with Canada Film
6 Act shall be terminated effective ~~July 1, 2014~~ July 1, 2024, and no
7 claim shall be paid thereafter.

8 SECTION 3. This act shall become effective July 1, 2013.

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

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