

1 STATE OF OKLAHOMA

2 2nd Session of the 55th Legislature (2016)

3 SENATE BILL 1025

By: Mazzei

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5  
6 AS INTRODUCED

7 An Act relating to rebates; amending 68 O.S. 2011,  
8 Section 3624, which relates to the Oklahoma Film  
9 Enhancement Rebate Program, modifying time period  
10 during which expenditures shall be eligible for  
11 rebate; providing effective date; and declaring an  
12 emergency.

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

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

16 Section 3624. A. There is hereby created the Oklahoma Film  
17 Enhancement Rebate Program. A rebate in the amount of up to  
18 seventeen percent (17%) of documented expenditures made in Oklahoma  
19 directly attributable to the production of a film, television  
20 production, or television commercial, as defined in Section 3623 of  
21 this title, in this state, may be paid to the production company  
22 responsible for the production. Provided, for documented  
23 expenditures made after July 1, 2009, the rebate amount shall be  
24 thirty-five percent (35%), except as provided in subsection B of  
this section.

1           B. The amount of rebate paid to the production company as  
2 provided for in subsection A of this section shall be increased by  
3 an additional two percent (2%) of documented expenditures if a  
4 production company spends at least Twenty Thousand Dollars  
5 (\$20,000.00) for the use of music created by an Oklahoma resident  
6 that is recorded in Oklahoma or for the cost of recording songs or  
7 music in Oklahoma for use in the production.

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

11           D. To be eligible for a rebate payment:

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

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

22           3. Except major studio productions, the production company  
23 shall provide the name of the completion guarantor and a copy of the  
24 bond guaranteeing the completion of the project or if a film has not

1 secured a completion bond, the production company shall provide  
2 evidence that all Oklahoma crew and local vendors have been paid and  
3 there are no liens against the production company pending in the  
4 state;

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

8 5. The production company shall provide evidence of financing  
9 for production prior to the commencement of principal photography;  
10 and

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

16 E. A production company shall not be eligible to receive both a  
17 rebate payment pursuant to the provisions of this act and an  
18 exemption from sales taxes pursuant to the provisions of paragraph  
19 21 of Section 1357 of this title. If a production company has  
20 received such an exemption from sales taxes and submits a claim for  
21 rebate pursuant to the provisions of the Compete with Canada Film  
22 Act, the company shall be required to fully repay the amount of the  
23 exemption to the Tax Commission. A claim for a rebate shall include  
24 documentation from the Tax Commission that repayment has been made

1 as required herein or shall include an affidavit from the production  
2 company that the company has not received an exemption from sales  
3 taxes pursuant to the provisions of paragraph 21 of Section 1357 of  
4 this title.

5 F. The Office shall approve or disapprove all claims for rebate  
6 and shall notify the Tax Commission. The Tax Commission shall, upon  
7 notification of approval from the Office of the Film and Music  
8 Commission, issue payment for all approved claims from funds in the  
9 Oklahoma Film Enhancement Rebate Program Revolving Fund created in  
10 Section 3625 of this title. Provided, no claims for rebate for  
11 expenditures made ~~on or after July 1, 2009, shall be paid prior to~~  
12 July 1, 2010 from July 1, 2016, through June 30, 2018, shall be  
13 eligible for payment. The amount of payments in any single fiscal  
14 year shall not exceed Five Million Dollars (\$5,000,000.00). If the  
15 amount of approved claims exceeds the amount specified in this  
16 subsection in a fiscal year, payments shall be made in the order in  
17 which the claims are approved by the Office. If an approved claim  
18 is not paid in whole or in part, the unpaid claim or unpaid portion  
19 may be paid in the following fiscal year subject to the limitations  
20 specified in this subsection.

21 SECTION 2. This act shall become effective July 1, 2016.

22 SECTION 3. It being immediately necessary for the preservation  
23 of the public peace, health and safety, an emergency is hereby  
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1 declared to exist, by reason whereof this act shall take effect and  
2 be in full force from and after its passage and approval.

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