

1 ENGROSSED HOUSE
2 BILL NO. 2344

By: Osborn (Leslie) and Wallace
of the House

3 and

4 David and Fields of the
5 Senate

6
7 An Act relating to revenue and taxation; amending 68
8 O.S. 2011, Section 3624, which relates to the Compete
9 with Canada Film Act; modifying maximum amount of
incentive payments; providing an effective date; and
declaring an emergency.

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

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

15 Section 3624. A. There is hereby created the Oklahoma Film
16 Enhancement Rebate Program. A rebate in the amount of up to
17 seventeen percent (17%) of documented expenditures made in Oklahoma
18 directly attributable to the production of a film, television
19 production, or television commercial, as defined in Section 3623 of
20 this title, in this state, may be paid to the production company
21 responsible for the production. Provided, for documented
22 expenditures made after July 1, 2009, the rebate amount shall be
23 thirty-five percent (35%), except as provided in subsection B of
24 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. The amount of payments in any single fiscal year
13 shall not exceed ~~Five Million Dollars (\$5,000,000.00)~~ Four Million
14 Dollars (\$4,000,000.00). If the amount of approved claims exceeds
15 the amount specified in this subsection in a fiscal year, payments
16 shall be made in the order in which the claims are approved by the
17 Office. If an approved claim is not paid in whole or in part, the
18 unpaid claim or unpaid portion may be paid in the following fiscal
19 year subject to the limitations specified in this subsection.

20 SECTION 2. This act shall become effective July 1, 2017.

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

1 Passed the House of Representatives the 18th day of April, 2017.

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4 Presiding Officer of the House
of Representatives

5 Passed the Senate the ____ day of _____, 2017.

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8 Presiding Officer of the Senate