

1 STATE OF OKLAHOMA

2 2nd Session of the 56th Legislature (2018)

3 HOUSE BILL 3701

By: Calvey

6 AS INTRODUCED

7 An Act relating to revenue and taxation; amending 68
8 O.S. 2011, Section 3624, as amended by Section 1,
Chapter 121, O.S.L. 2017 (68 O.S. Supp. 2017, Section
9 3624), which relates to the Oklahoma Film Enhancement
10 Rebate Program; prohibiting future rebate payments;
11 providing exceptions; and declaring an emergency.

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

13 SECTION 1. AMENDATORY 68 O.S. 2011, Section 3624, as
14 amended by Section 1, Chapter 121, O.S.L. 2017 (68 O.S. Supp. 2017,
15 Section 3624), is amended to read as follows:

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

1 thirty-five percent (35%), except as provided in subsection B of
2 this section.

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

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

13 D. To be eligible for a rebate payment:

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

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

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

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

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

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

19 E. A production company shall not be eligible to receive both a
20 rebate payment pursuant to the provisions of this act and an
21 exemption from sales taxes pursuant to the provisions of paragraph
22 21 of Section 1357 of this title. If a production company has
23 received such an exemption from sales taxes and submits a claim for
24 rebate pursuant to the provisions of the Compete with Canada Film

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

8 F. The Office shall approve or disapprove all claims for rebate
9 and shall notify the Tax Commission. The Tax Commission shall, upon
10 notification of approval from the Office of the Film and Music
11 Commission, issue payment for all approved claims from funds in the
12 Oklahoma Film Enhancement Rebate Program Revolving Fund created in
13 Section 3625 of this title. Provided, no claims for rebate for
14 expenditures made on or after July 1, 2009, shall be paid prior to
15 July 1, 2010. The amount of payments in any single fiscal year
16 shall not exceed Four Million Dollars (\$4,000,000.00). If the
17 amount of approved claims exceeds the amount specified in this
18 subsection in a fiscal year, payments shall be made in the order in
19 which the claims are approved by the Office. If an approved claim
20 is not paid in whole or in part, the unpaid claim or unpaid portion
21 may be paid in the following fiscal year subject to the limitations
22 specified in this subsection.

1 G. After the effective date of this act, no rebate shall be
2 paid under the Oklahoma Film Enhancement Rebate Program, unless such
3 rebate payment is related to:

4 1. An unpaid claim or unpaid portion of a claim from a prior
5 fiscal year as provided for in subsection F of this section; or

6 2. An application approved by the Office prior to the effective
7 date of this act, provided such related expenditure occurs prior to
8 July 1, 2018.

9 SECTION 2. It being immediately necessary for the preservation
10 of the public peace, health or 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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