

BILL SUMMARY
1st Session of the 60th Legislature

Bill No.:	HB2374
Version:	FA1
Request Number:	NA
Author:	Rep. Hill
Date:	3/24/2025
Impact:	No Impact

Research Analysis

The floor amendment to HB2374 amends the definition of *production cost* to include wages or salaries paid to career tech students.

As amended, the measure amends numerous provisions of the Filmed in Oklahoma Act of 2021 by:

- amending the definition of production cost to include wages or salaries paid to career tech students;
- removing the salary restriction for above-the-line personnel;
- adding animation, commercials, documentaries, feature films, game shows, pilots, reality television, scripted television and talk shows to the definition of *film*;
- adding a definition for *live audience episodic television* and *loan-out corporation*;
- requiring loan-out company employees to pay state income tax on services performed in Oklahoma;
- clarifying that the apprentice requirements are based on the amount of Oklahoma expenditures; and
- requiring the program to designate \$35,000 from the top tier to pay for an economic impact review of the program.

Prepared By: Quyen Do

Fiscal Analysis

HB2374 amends the Filmed in Oklahoma Act.

The floor amendment modifies the definition of *production cost* to include wages or salaries paid to career tech students.

The Oklahoma Tax Commission has provided the following analysis:

ESTIMATED REVENUE IMPACT: This measure does not affect income tax collections.
FY26: \$0

ANALYSIS: The Proposed Subcommittee Substitute for HB 2374 seeks to amend the Filmed in Oklahoma Act of 2021 (68 O.S. § 3631, et seq.). This measure requires production companies, or their payroll service providers, to withhold Oklahoma income tax at the highest percentage rate found in the withholding statutes on all payments to loan-out companies for services performed in Oklahoma. The amounts withheld shall be allocated to the loan-out company's employees based on payments made to them for services performed in Oklahoma. Employees of loan-out companies performing services in Oklahoma shall be considered taxable, and the loan-out companies shall be subject to income taxation in the taxable year in which their employees perform services in Oklahoma.

This measure also amends additional provisions in the Act that are not related to the Oklahoma Tax Commission.

ADMINISTRATIVE CONCERN: The Oklahoma withholding statutes do not specify a highest percentage rate for withholding. Instead, production companies, or their payroll service providers, should withhold Oklahoma income tax at the highest applicable rate established in 68 O.S. § 2355.

Prepared By: Zach Penrod, House Fiscal Staff

Other Considerations

None.