

FIRST REGULAR SESSION

# HOUSE BILL NO. 360

## 94TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVES ROBB (Sponsor), SATER,  
GRILL AND SUTHERLAND (Co-sponsors).

Read 1st time January 11, 2007 and copies ordered printed.

D. ADAM CRUMBLISS, Chief Clerk

1088L.01I

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### AN ACT

To repeal section 135.750, RSMo, and to enact in lieu thereof one new section relating to a tax credit for qualified film production projects.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Section 135.750, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 135.750, to read as follows:

135.750. 1. **As used in this section, the following terms mean:**

- (1) **"Highly compensated individual", any individual who receives compensation in excess of one million dollars in connection with a single qualified film production project;**
- (2) **"Qualified film production project", any film, video, commercial, or television production, as approved by the department of economic development and the office of the Missouri film commission, that is under thirty minutes in length with an expected in-state expenditure budget in excess of fifty thousand dollars, or that is over thirty minutes in length with an expected in-state expenditure budget in excess of one hundred thousand dollars. Regardless of the production costs, "qualified film production project" shall not include any:**
- (a) **News or current events programming;**
- (b) **Talk show;**

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

14 (c) Production produced primarily for industrial, corporate, or institutional  
15 purposes, and for internal use;

16 (d) Sports event or sports program;

17 (e) Gala presentation or awards show;

18 (f) Infomercial or any production that directly solicits funds;

19 (g) Political ad;

20 (h) Production that is considered obscene, as defined in section 573.010, RSMo;

21 (3) "Qualifying expenses", the sum of the total amount spent in this state for the  
22 following by a production company in connection with a qualified film production project:

23 (a) Goods and services leased or purchased by the production company. For goods  
24 with a purchase price of twenty-five thousand dollars or more, the amount included in  
25 qualifying expenses shall be the purchase price less the fair market value of the goods at  
26 the time the production is completed;

27 (b) Compensation and wages paid by the production company on which the  
28 production company remitted withholding payments to the department of revenue under  
29 chapter 143, RSMo. For purposes of this section, compensation and wages shall not  
30 include any amounts paid to a highly compensated individual;

31 (4) "Tax credit", a credit against the tax otherwise due under chapter 143, RSMo,  
32 excluding withholding tax imposed by sections 143.191 to 143.265, RSMo, or otherwise due  
33 under chapter 148, RSMo;

34 (5) "Taxpayer", any individual, partnership, or corporation as described in section  
35 143.441, 143.471, RSMo, or section 148.370, RSMo, that is subject to the tax imposed in  
36 chapter 143, RSMo, excluding withholding tax imposed by sections 143.191 to 143.265,  
37 RSMo, or the tax imposed in chapter 148, RSMo.

38 **2. For all taxable years beginning on or after January 1, 1999, but ending on or**  
39 **before December 31, 2007,** a taxpayer shall be granted a tax credit [against the tax otherwise  
40 due pursuant to chapter 143, RSMo, excluding withholding tax imposed by sections 143.191 to  
41 143.261, RSMo, or chapter 148, RSMo,] for up to fifty percent of the amount of investment in  
42 production or production-related activities in [a qualified film production project. As used in this  
43 section, the term "taxpayer" means an individual, a partnership, or a corporation as described in  
44 section 143.441, 143.471, RSMo, or section 148.370, RSMo, and the term "qualified film  
45 production project" means] any film production project with an expected in-state expenditure  
46 budget in excess of three hundred thousand dollars. **For all taxable years beginning on or**  
47 **after January 1, 2008, a taxpayer shall be allowed a tax credit for up to fifty percent of the**  
48 **amount of qualifying expenses in a qualified film production project.** Each film production  
49 company shall be limited to one qualified film production project per year. Activities qualifying

50 a taxpayer for the tax credit pursuant to this subsection shall be approved by the office of the  
51 Missouri film commission and the department of economic development.

52 [2.] **3.** Taxpayers shall apply for the film production tax credit by submitting an  
53 application to the department of economic development, on a form provided by the department.  
54 As part of the application, the expected in-state expenditures of the qualified film production  
55 project shall be documented. In addition, the application shall include an economic impact  
56 statement, showing the economic impact from the activities of the film production project. Such  
57 economic impact statement shall indicate the impact on the region of the state in which the film  
58 production or production-related activities are located and on the state as a whole.

59 [3.] **4. For all taxable years ending on or before December 31, 2007, tax credits**  
60 **certified pursuant to subsection 1 of this section shall not exceed one million dollars per taxpayer**  
61 **per year, and shall not exceed a total for all tax credits certified of one million five hundred**  
62 **thousand dollars per year. For all taxable years beginning on or after January 1, 2008, tax**  
63 **credits certified under subsection 1 of this section shall not exceed a total for all tax credits**  
64 **certified of ten million five hundred thousand dollars per year.** Taxpayers may carry forward  
65 unused credits for up to five tax periods, provided all such credits shall be claimed within ten tax  
66 periods following the tax period in which the film production or production-related activities for  
67 which the credits are certified by the department occurred.

68 [4.] **5.** Notwithstanding any provision of law to the contrary, any taxpayer may sell,  
69 assign, exchange, convey or otherwise transfer tax credits allowed in [subsection 1 of] this  
70 section. The taxpayer acquiring the tax credits may use the acquired credits to offset the tax  
71 liabilities otherwise imposed by chapter 143, RSMo, excluding withholding tax imposed by  
72 sections 143.191 to [143.261] **143.265**, RSMo, or chapter 148, RSMo. Unused acquired credits  
73 may be carried forward for up to five tax periods, provided all such credits shall be claimed  
74 within ten tax periods following the tax period in which the film production or  
75 production-related activities for which the credits are certified by the department occurred.

76 **6. Under section 23.253, RSMo, of the Missouri sunset act:**

77 **(1) The provisions of the new program authorized under this section shall**  
78 **automatically sunset six years after the effective date of this section unless reauthorized by**  
79 **an act of the general assembly; and**

80 **(2) If such program is reauthorized, the program authorized under this section**  
81 **shall automatically sunset twelve years after the effective date of the reauthorization of this**  
82 **section; and**

83 **(3) This section shall terminate on September first of the calendar year immediately**  
84 **following the calendar year in which the program authorized under this section is sunset.**

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