

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1484 Session of
2017

INTRODUCED BY ELLIS AND O'BRIEN, JUNE 2, 2017

REFERRED TO COMMITTEE ON FINANCE, JUNE 2, 2017

AN ACT

1 Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An
2 act relating to tax reform and State taxation by codifying
3 and enumerating certain subjects of taxation and imposing
4 taxes thereon; providing procedures for the payment,
5 collection, administration and enforcement thereof; providing
6 for tax credits in certain cases; conferring powers and
7 imposing duties upon the Department of Revenue, certain
8 employers, fiduciaries, individuals, persons, corporations
9 and other entities; prescribing crimes, offenses and
10 penalties," in entertainment production tax credit, further
11 providing for definitions, establishing the Multimedia Tax
12 Credit Fund, providing for State-certified production
13 companies and making an inconsistent repeal.

14 The General Assembly of the Commonwealth of Pennsylvania
15 hereby enacts as follows:

16 Section 1. Section 1702-D of the act of March 4, 1971
17 (P.L.6, No.2), known as the Tax Reform Code of 1971, is amended
18 by adding a definition to read:

19 Section 1702-D. Definitions.

20 The following words and phrases when used in this article
21 shall have the meanings given to them in this section unless the
22 context clearly indicates otherwise:

23 * * *

24 "Qualified Pennsylvania production company." A motion

picture production company, organized under the laws of this Commonwealth or otherwise domiciled and authorized to do business in this Commonwealth, having its principal place of business in this Commonwealth, which files Pennsylvania income tax returns and meets the following requirements:

(1) Has the power and authority to make creative decisions with respect to a motion picture being produced by a State-certified production company, including final cut authority.

(2) One of the following:

(i) the company is at least 50% owned by a Pennsylvania resident or residents who are natural persons who have been domiciled in and maintained a permanent place of abode in this Commonwealth for no less than 12 consecutive months prior to beginning of preproduction; or

(ii) the company has directly employed a minimum of three full-time Pennsylvania residents for a minimum of 12 months prior to beginning of preproduction.

Section 2. Article XVII-D of the act is amended by adding a subarticle to read:

SUBARTICLE E

MISCELLANEOUS PROVISIONS

Section 1771-D. Multimedia Tax Credit Fund.

(a) Establishment.--There is established in the department the Multimedia Tax Credit Fund. All money allocated for the purposes of a tax credit under this article shall be deposited in the fund.

(b) Usage.--The funds shall be used in accordance with the following:

1 (1) Eighty percent of the money in the fund shall be
2 used for the film production tax credit under Subarticle B.

3 (2) Ten percent of the money in the fund shall be used
4 for the concert rehearsal and tour tax credit under
5 Subarticle C.

6 (3) Ten percent of the money in the fund shall be used
7 for the video game production tax credit under Subarticle D.

8 (c) Unused funds.--If the available money for one or two of
9 the tax credits under this article are not fully used, the
10 remaining money may be used for the remaining tax credits.

11 Section 1772-D. State-certified production companies.

12 (a) Additional tax credit.--For State-certified productions
13 with expenditures occurring on or after July 1, 2017, a State-
14 certified production company which demonstrates that it owned or
15 optioned to own a Pennsylvania screenplay, which has been held
16 by a qualified Pennsylvania production company for a minimum of
17 12 months prior to production, may be eligible for an additional
18 10% tax credit.

19 (b) Approved companies.--The department shall post on its
20 publicly accessible Internet website a listing of approved
21 Pennsylvania publishers and qualified Pennsylvania production
22 companies.

23 Section 4. Any provision of Article XVII-D of the act of
24 March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of
25 1971, is repealed to the extent that it is inconsistent with
26 this act.

27 Section 5. This act shall take effect take effect
28 immediately.